

Company Registration No. 10610614 (England and Wales)

Utility Point Limited

**Annual report and financial statements
for the year ended 30 June 2020**

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Utility Point Limited

Company information

Directors	Mr Ben Bolt Mr John Bolt Mr Stephen Calland Mr Simon Yarwood
Company number	10610614
Registered office	5 Poole Road Bournemouth Dorset BH2 5QL
Independent auditor	Saffery Champness LLP Midland House 2 Poole Road Bournemouth Dorset BH2 5QY

Utility Point Limited

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Utility Point Limited

Strategic report

For the year ended 30 June 2020

The directors present the strategic report for the year ended 30 June 2020.

Fair review of the business

The company enjoyed a successful period, during which time it achieved 52% growth in its customer base to 263,267 meter points (2019 – 173,099) and 123% growth in turnover to £113.5m (2019 – £51.0m).

The company continued to suffer operating losses, but these losses do show an improvement from the previous year and were expected as part of the directors' long-term strategy. Investment has continued in all areas of the business, whilst continuing to grow the customer base, with the aim of maximizing efficiencies and lowering the Cost to Serve. Consistent competitive pricing and award-winning service levels has also helped the company record one of the lowest churn rates in the industry.

Principal risks and uncertainties

The company faces a number of risks and uncertainties. The directors believe the key risks are in respect of wholesale price markets, competition, and bad debt. The directors continue to assess and manage these risks in line with the business strategy

Competition – the company operates in a highly competitive marketplace, with various suppliers all looking to achieve growth in customer numbers. The directors believe that the company is in a strong position due to its internal efficiencies.

Wholesale Market Prices – the company has previously operated a hedging strategy to mitigate the risk of wholesale market movements, working with a number of counterparties across a range of products. The company entered into a hedging agreement with Axpo Solutions Ag in September 2020, which enables the company to trade longer term, with several risk elements to the business mitigated.

Utility Point Limited

Strategic report (continued)

For the year ended 30 June 2020

Key performance indicators

The management team responsible for the operation of the business use a number of financial and non-financial KPI's in order to manage and develop the business to achieve the company's strategic objectives. The company's KPI's include customer numbers, meter point numbers, revenue, and churn. One of the main measures is EBITDA:

	2020 (£000)	2019 (£000)
Turnover	113,521	51,025
Gross Profit	10,655	(1,778)
Loss for Year	(5,506)	(7,980)
EBITDA	(3,308)	(6,861)

EBITDA, defined as earnings before interest, tax, depreciation and amortisation (including amortisation of referral costs) has increased 52% to £-3,308,260 (2019 : £-6,860,574).

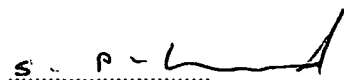
The company's gross margin percentage drastically improved to 9% (2019: -3%) and reflects a better hedging strategy and access to additional trading products.

During the year, the company opened a second office to home the main customer service and operations teams. The total fit out capital expenditure in the year accounted for £256,000 (2019 : £69,000).

Future developments

The company's directors expect growth to be continued over the next year with the business turning profitable in the year after. The company's strategy is to continue to offer competitive tariffs to both new and existing customers. In addition the business intends to diversify its product portfolio and to be able to offer broadband, mobile and insurance products over the coming year.

On behalf of the board



Mr Simon Yarwood

Director

Date: 18/05/2021

Utility Point Limited

Directors' report

For the year ended 30 June 2020

The directors present their annual report and financial statements for the year ended 30 June 2020.

Principal activities

The principal activity of the company continued to be that of an electricity and gas supplier.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr Ben Bolt

Mr John Bolt

Mr Stephen Calland

Mr Simon Yarwood

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Financial instruments

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans. The company uses interest rate derivatives to manage the mix of fixed and variable rate debt so as to reduce its exposure to changes in interest rates.

Foreign currency risk

The company's principal foreign currency exposures arise from trading with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. This hedging activity involves the use of foreign exchange forward contracts.

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Utility Point Limited

Directors' report (continued) For the year ended 30 June 2020

Post reporting date events

During September 2020, the company entered into a structured energy wholesale agreement with Axpo Solutions AG that will provide significant protection against mark to market exposure, free up significant working capital for the business and enable the company to continue to effectively manage its commodity risk exposure and liquidity as the company continues to grow. This provides a facility for both power and gas purchases and as is normal for a credit facility, a charge has been raised on Utility Point Limited at a post balance sheet date.

Auditor

Saffery Champness LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

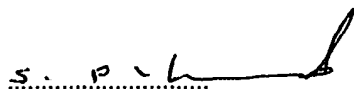
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Economic Environment

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. In the UK market, activity is being impacted in all sectors and the current response to COVID-19 means that we are faced with an unprecedented set of circumstances. At the approval date of these financial statements the future impact to the market is unknown and we cannot reliably estimate its effect on trading in the short term.

In light of the current uncertainties the directors have assessed the potential financial implications of the pandemic, and have assessed that the company has sufficient resources to allow it to trade through this period without any additional working capital funding required.

On behalf of the board



Mr Simon Yarwood
Director

Date: 18/05/2021

Utility Point Limited

Directors' responsibilities statement For the year ended 30 June 2020

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Utility Point Limited

Independent auditor's report

To the members of Utility Point Limited

Opinion

We have audited the financial statements of Utility Point Limited (the 'company') for the year ended 30 June 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Utility Point Limited

Independent auditor's report (continued) To the members of Utility Point Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Utility Point Limited

Independent auditor's report (continued) To the members of Utility Point Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters which we are required to address

In the previous accounting period the company took advantage of the audit exemption under s477 of the Companies Act 2006. Therefore the comparative financial information presented in the financial statements has not been subject to audit.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jamie Lane (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP

Date: 19 May 2021

Chartered Accountants
Statutory Auditors

Midland House
2 Poole Road
Bournemouth
Dorset
BH2 5QY

Utility Point Limited

**Statement of comprehensive income
For the year ended 30 June 2020**

		2020	2019
	Notes	£	Unaudited £
Turnover	3	113,521,303	51,025,497
Cost of sales		(102,866,672)	(52,803,241)
Gross profit/(loss)		<u>10,654,631</u>	<u>(1,777,744)</u>
Administrative expenses		(16,132,941)	(6,201,475)
Operating loss	4	<u>(5,478,310)</u>	<u>(7,979,219)</u>
Interest receivable and similar income	7	7,864	2,385
Interest payable and similar expenses	8	(35,739)	(3,495)
Loss before taxation		<u>(5,506,185)</u>	<u>(7,980,329)</u>
Tax on loss	9	-	-
Loss for the financial year		<u><u>(5,506,185)</u></u>	<u><u>(7,980,329)</u></u>

The income statement has been prepared on the basis that all operations are continuing operations.

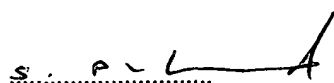
There are no recognised gains and losses other than those passing through the income statement.

Utility Point Limited

Statement of financial position
As at 30 June 2020

		2020	2019
			Unaudited
	Notes	£	£
Fixed assets			
Intangible assets	10	42,500	45,000
Tangible assets	11	394,457	68,859
		<u>436,957</u>	<u>113,859</u>
Current assets			
Debtors	12	14,361,111	7,759,521
Cash at bank and in hand		7,713,926	4,559,389
		<u>22,075,037</u>	<u>12,318,910</u>
Creditors: amounts falling due within one year	13	(35,886,375)	(20,300,965)
Net current liabilities		<u>(13,811,338)</u>	<u>(7,982,055)</u>
Total assets less current liabilities		<u>(13,374,381)</u>	<u>(7,868,196)</u>
Capital and reserves			
Called up share capital	16	213	213
Share premium account		14,241	14,241
Profit and loss reserves		(13,388,835)	(7,882,650)
Total equity		<u>(13,374,381)</u>	<u>(7,868,196)</u>

The financial statements were approved by the board of directors and authorised for issue on 18/05/21 and are signed on its behalf by:



Mr Simon Yarwood
Director

Company Registration No. 10610614

Utility Point Limited

**Statement of changes in equity
For the year ended 30 June 2020**

	Notes	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 July 2018		20	-	20,000	97,679	117,699
Year ended 30 June 2019:						
Loss and total comprehensive income for the year		-	-	-	(7,980,329)	(7,980,329)
Issue of share capital	16	213	14,241	-	-	14,454
Reduction of shares	16	(20)	-	-	-	(20)
Other movements		-	-	(20,000)	-	(20,000)
Balance at 30 June 2019		213	14,241	-	(7,882,650)	(7,868,196)
Year ended 30 June 2020:						
Loss and total comprehensive income for the year		-	-	-	(5,506,185)	(5,506,185)
Balance at 30 June 2020		213	14,241	-	(13,388,835)	(13,374,381)

Utility Point Limited

Statement of cash flows
For the year ended 30 June 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	21	3,893,478		3,794,537	
Interest paid		(35,739)		(3,495)	
Net cash inflow from operating activities		3,857,739		3,791,042	
Investing activities					
Purchase of tangible fixed assets		(392,736)		(68,369)	
Loans provided to related companies		(318,330)		(471,912)	
Interest received		7,864		2,385	
Net cash used in investing activities		(703,202)		(537,896)	
Financing activities					
Proceeds from issue of shares		-		14,454	
Net cash (used in)/generated from financing activities		-		14,454	
Net increase in cash and cash equivalents		3,154,537		3,267,600	
Cash and cash equivalents at beginning of year		4,559,389		1,291,789	
Cash and cash equivalents at end of year		7,713,926		4,559,389	

Utility Point Limited

Notes to the financial statements For the year ended 30 June 2020

1 Accounting policies

Company information

Utility Point Limited is a private company limited by shares incorporated in England and Wales. The registered office is 5 Poole Road, Bournemouth, Dorset, BH2 5QL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

Notwithstanding a loss for the year of £5,506,185 and net liabilities of £13,374,381 at the year-end, the directors have prepared the financial statements on a going concern basis

The company continues to grow its customer base and now, end of April 2021, has approximately 225,000 customers. The directors have prepared forecasts in respect of cashflow, profit and loss and balance sheet until 30 June 2023. Based on these forecasts, the company is expected to reach a point where it is profitable within that timescale, while generating an increase in cash balances.

The business model of the company is such that it is forecast to repay its debts as they fall due throughout this period, despite net liabilities at the balance sheet date

During September 2020, the company entered into a structured energy wholesale agreement with Axpo Solutions AG that will provide sufficient protection against mark to market exposure, free up significant working capital for the business and enable the company to continue to effectively manage its commodity risk exposure and liquidity as the company continues to grow.

In light of the forecasts and the secured wholesale agreement with Axpo, the directors are confident that the company will be able to repay its debts as they fall due for the foreseeable future and accordingly have applied the going concern basis of preparation for the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover comprises the sale value of electricity and gas supplied to customers during the year exclusive of VAT. Turnover includes an estimate of usage since the last meter read date and the year end. In making this estimate, consideration is given to each customers average energy consumption and industry seasonality rates.

Notes to the financial statements (continued)
For the year ended 30 June 2020

1 Accounting policies (continued)

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Other intangibles	Straight line over 20 years
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1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	3 years straight line
Computer equipment	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1 Accounting policies (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies (continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Notes to the financial statements (continued)
For the year ended 30 June 2020

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Derivatives and hedging

The company mitigates its exposure to fluctuation in commodity prices by hedging. When these contracts are initiated they are setup to meet the supply requirement for customers and the company classifies them as 'own use' and outside the scope of FRS 102 section 11 and 12. The volume of energy delivered to the company under these contracts is in line with customer usage, no contracts for net settlement are entered into and contracts are always settled through physical deliveries of commodities.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies (continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

1 Accounting policies (continued)

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.18 Marketing costs

The fees paid to third parties to introduce customers to the company are prepaid over the contract length the customer signs up to (typically 12 months). Any unreleased amounts at the balance sheet date are held in prepayments and accrued income.

1.19 Renewable obligations

The company recognises a liability in respect of Renewable Obligations payable to Ofgem in respect of energy supplier to customers at the ROC buy-out price or the price at which the obligation can be settled at year end.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Revenue recognition

Given the nature of the industry, there is a degree of estimation involved in the recognition of revenue. Energy sales are based on regular meter readings. Revenue is recognised for the supply of electricity and gas represents the value of actual units billed to customers from the billing system, and an estimate of the number of units unbilled. The calculation of these estimates required judgements to be made with regards to the energy used by customers between their last meter reading and the period end. These units were reconciled to those charged by the industry.

Customer debtor provisioning

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Calculation of the bad debt provision requires judgement to be made around the recovery of debts based upon their aging profile.

3 Turnover and other revenue

	2020	2019
	£	£
Turnover analysed by class of business		
Supply of electricity and gas	113,521,303	51,025,497
	<u> </u>	<u> </u>
	2020	2019
	£	£
Other significant revenue		
Interest income	7,864	2,385
	<u> </u>	<u> </u>

All turnover arose within the United Kingdom.

Utility Point Limited

Notes to the financial statements (continued)

For the year ended 30 June 2020

4 Operating loss

	2020	2019
	£	£
Operating loss for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	30,550	-
Depreciation of owned tangible fixed assets	67,138	17,663
Amortisation of intangible assets	2,500	2,500
Operating lease charges	163,383	94,776
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Management	8	6
Sales and marketing	2	1
Admin Staff	15	4
Customer service and operations	74	25
	<u> </u>	<u> </u>
Total	99	36
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	2,661,531	1,010,892
Social security costs	234,407	83,063
Pension costs	228,158	17,084
	<u> </u>	<u> </u>
	3,124,096	1,111,039
	<u> </u>	<u> </u>

Utility Point Limited**Notes to the financial statements (continued)**
For the year ended 30 June 2020**6 Directors' remuneration**

	2020	2019
	£	£
Remuneration for qualifying services	292,270	10,500
Company pension contributions to defined contribution schemes	97,959	72
	<u>390,229</u>	<u>10,572</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2.

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2020	2019
	£	£
Remuneration for qualifying services	141,875	N/A
Company pension contributions to defined contribution schemes	56,498	N/A
	<u>198,373</u>	<u>N/A</u>

7 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	7,864	2,385
	<u>7,864</u>	<u>2,385</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	7,864	2,385
	<u>7,864</u>	<u>2,385</u>

8 Interest payable and similar expenses

	2020	2019
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	35,739	3,495
	<u>35,739</u>	<u>3,495</u>

Utility Point Limited**Notes to the financial statements (continued)**
For the year ended 30 June 2020**9 Taxation**

	2020	2019
	£	£
Total current tax	-	-

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
Loss before taxation	(5,506,185)	(7,980,329)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(1,046,175)	(1,516,263)
Tax effect of expenses that are not deductible in determining taxable profit	2,635	479
Tax effect of utilisation of tax losses not previously recognised	-	19,964
Unutilised tax losses carried forward	1,104,929	1,504,975
Permanent capital allowances in excess of depreciation	(61,389)	(9,155)
Taxation charge for the year	-	-

There is no deferred tax asset or liability recognised in the Balance Sheet of the Company. There is a deferred tax asset calculated at 19% (2019 - 17%) of £1,104,929 (2019 - £1,504,975) which has not been recognised due to the losses incurred by the company in recent periods, and the uncertainty as to when the deferred tax assets will be available for the use against future taxable periods.

Utility Point Limited

Notes to the financial statements (continued)
For the year ended 30 June 2020

10 Intangible fixed assets

	Other intangibles £
Cost	
At 1 July 2019 and 30 June 2020	50,000
Amortisation and impairment	
At 1 July 2019	5,000
Amortisation charged for the year	2,500
At 30 June 2020	7,500
Carrying amount	
At 30 June 2020	42,500
At 30 June 2019	45,000

11 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 July 2019	32,058	55,613	87,671
Additions	337,911	54,825	392,736
At 30 June 2020	369,969	110,438	480,407
Depreciation and impairment			
At 1 July 2019	6,466	12,346	18,812
Depreciation charged in the year	42,074	25,064	67,138
At 30 June 2020	48,540	37,410	85,950
Carrying amount			
At 30 June 2020	321,429	73,028	394,457
At 30 June 2019	25,592	43,267	68,859

Utility Point Limited**Notes to the financial statements (continued)**
For the year ended 30 June 2020**12 Debtors**

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	1,129,598	699,778
Other debtors	4,608,532	1,886,923
Prepayments and accrued income	8,622,981	5,172,820
	<u>14,361,111</u>	<u>7,759,521</u>

13 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	5,680,520	3,381,520
Taxation and social security	117,465	41,897
Other creditors	-	26,000
Accruals and deferred income	30,088,390	16,851,548
	<u>35,886,375</u>	<u>20,300,965</u>

A floating charge is in place over the company in respect of security held in relation to outstanding amounts due to the company's energy wholesaler. At the balance sheet date there were £nil (2019: £nil) amounts outstanding.

14 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>228,158</u>	<u>17,084</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Utility Point Limited**Notes to the financial statements (continued)**
For the year ended 30 June 2020**15 Share-based payment transactions**

The directors consider the share based payments charge to be immaterial and therefore no charge has been recognised. During the year, the following equity-settled share based payment arrangements were in place:

	Number of share options		Weighted average exercise price	
	2020 Number	2019 Number	2020 £	2019 £
Outstanding at 1 July 2019	30	-	7.65	-
Granted	90	30	7.65	7.65
Outstanding at 30 June 2020	<u>120</u>	<u>30</u>	<u>7.65</u>	<u>7.65</u>
Exercisable at 30 June 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The options outstanding at 30 June 2020 had an exercise price of £7.65, and a remaining contractual life of up to 4.5 years.

16 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital				
Issued and fully paid				
Ordinary A shares of 10p each	1,880	1,880	188	188
Ordinary B shares of 10p each	120	120	12	12
Ordinary C shares of 10p each	130	130	13	13
	<u>2,130</u>	<u>2,130</u>	<u>213</u>	<u>213</u>

The A B and C shares rank pari passu in most respects but shall constitute separate classes of shares and the directors may at any time resolve to declare a dividend on one class of shares but not the other, and may resolve to declare a different level of dividend on each class of share.

Utility Point Limited**Notes to the financial statements (continued)**
For the year ended 30 June 2020**17 Operating lease commitments****Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	188,670	34,830
Between two and five years	384,600	-
	<u>573,270</u>	<u>34,830</u>

18 Events after the reporting date

During September 2020, the company entered into a structured energy wholesale agreement with Axpo Solutions AG that will provide significant protection against mark to market exposure, free up significant working capital for the business and enable the company to continue to effectively manage its commodity risk exposure and liquidity as the company continues to grow. This provides a facility for both power and gas purchases and as is normal for a credit facility, a charge has been raised on Utility Point Limited at a post balance sheet date.

19 Related party transactions**Transactions with related parties**

During the year the company entered into the following transactions with related parties:

	Sales		Purchases	
	2020 £	2019 £	2020 £	2019 £
Entities under common directorship	<u>31,809</u>	<u>-</u>	<u>114,591</u>	<u>30,538</u>

	Licence fees	
	2020 £	2019 £
Entities under common directorship	<u>426,057</u>	<u>247,500</u>

Utility Point Limited**Notes to the financial statements (continued)**
For the year ended 30 June 2020**19 Related party transactions (continued)**

The following amounts were outstanding at the reporting end date relating to loans granted by the company:

	2020	2019
	£	£
Amounts due from related parties		
Entities under common directorship	790,243	471,912

Other information

During the year, two of the directors family members were paid remuneration totalling £125k (2019: £17k) under contracts of employment.

The directors are considered to be the sole key management personnel. As such the total key management personnel remuneration is detailed in note 6.

20 Ultimate controlling party

The ultimate controlling party is Ben Bolt by virtue of his shareholding in the company.

21 Cash generated from operations

	2020	2019
	£	£
Loss for the year after tax	(5,506,185)	(7,980,329)
Adjustments for:		
Finance costs	35,739	3,495
Investment income	(7,864)	(2,385)
Amortisation and impairment of intangible assets	2,500	2,500
Depreciation and impairment of tangible fixed assets	67,138	17,663
Decrease in provisions	-	(3,086)
Movements in working capital:		
Increase in debtors	(6,283,260)	(6,476,764)
Increase in creditors	15,585,410	18,233,443
Cash generated from operations	3,893,478	3,794,537

Utility Point Limited

Notes to the financial statements (continued)
For the year ended 30 June 2020

22 Analysis of changes in net funds

	1 July 2019	Cash flows	30 June 2020
	£	£	£
Cash at bank and in hand	4,559,389	3,154,537	7,713,926
	<u> </u>	<u> </u>	<u> </u>