

# **ESG-Utiligroup Bidco Limited**

## **Annual Report and Financial Statements**

Registered number 10708569

Year ended 31 December 2019



**Directors**

S Gosling  
P Galati  
C P Durrett

**Secretary**

Brodies Secretarial Services Limited

**Independent Auditors**

RMS UK Audit LLP  
Bluebell House  
Brian Johnson Way  
Preston  
PR2 5PE

**Registered Office**

Utilihouse  
East Terrace  
Euxton Lane  
Chorley  
Lancashire  
PR7 6TE  
Registered number 10708569

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## Strategic report

The directors present their strategic report for the year ended 31 December 2019.

### Principal activities and review of the business

The Company acts as the acquisition and financing vehicle used to acquire the Utiligroup companies from Northedge Capital. It had no trading or employees, only financing transactions.

### Key performance indicators (KPIs)

The company was incorporated to hold investments and the financing raised to make the investments.

The KPIs of the Company are to:

- sustain the carrying value of each investment, and
- monitor and control the interest payable on any finance raised.

The KPIs used to sustain the carry value of each investment have been included in the consolidated financial statements of, the company's ultimate parent, ESG-Utiligroup Holdings LLC.

The net assets of the company as at 31 December 2019 are £39,995,483 (2018: 42,887,871).

The Company made a loss for the Year Ended 31 December 2019 of £4,892,387 (Year ended 31 December 2018: £7,074,063 loss).

### Principal risks and uncertainties

Risk management has been an important element of the management process throughout Utiligroup, of which ESG-Utiligroup Bidco Limited is a part, and is considered on a group basis. Internal controls have been developed to address the main business risks which are considered to be:

#### *Strategic:*

The group operates in a new market and strives to ensure that it delivers effective solutions to its existing and potential clients. It invests in new products and services and is a leader in its field.

#### *Operational:*

The group's most important assets are its employees, clients and Intellectual Property Rights (IPR):

- Employees are recruited carefully to address the needs of the business. Appropriate training is provided to support the development of employees.
- Customer account managers are employed to address the needs of the groups' client base, and they provide the feedback into the rest of the group which helps shape the development strategy of new products and services.
- The group also recognises the importance of its IT infrastructure and back office systems to deliver its services. The group has the appropriate controls in place to secure its data and maximise the operational efficiency of its systems. The group also has controls in place to safeguard the IPR that it owns. The group also has established procedures to maintain its appropriate accreditations and holds ISO 27001 & 9001 status.

Controls exist to ensure information is made available to enable management to monitor the performance of the company.

#### *Liquidity risk*

The company has a banking relationship with Goldman Sachs Bank where its loan is held.

Interest is payable on the loan at a rate of 7% + LIBOR. The company regularly monitors the LIBOR rate to assess the Company's exposure to interest rate risk. If management deemed it necessary, interest rate hedges would be put in place to fix the financial exposure.

## Strategic report (continued)

### Principal risks and uncertainties (continued)

#### *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses.

The Company's principal financial assets are bank balances and cash. The credit risk on these assets is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The directors were satisfied that the appropriate processes were in place to monitor the risks faced by the Company.

Approved by the Board on 16 April 2020 and signed on its behalf by:



Steve Gosling  
Director

## Directors' report

The directors present their report and audited financial statements for the year ended 31 December 2019.

### Results and dividends

The loss for the financial year amounted to £4,892,388. The directors do not recommend payment of a dividend. At the year end the Company had net current liabilities of £31,283,606 (2018: £24,208,545) and net assets of £37,995,483 (2018: 42,887,871).

### Future developments

Since formation the company has never traded and the directors do not intend to commence trade in the foreseeable future.

### Directors

The directors who served the company during the year and up to the date of signing the financial statements were as follows:

S Gosling  
P Galati  
C P Durrett

### Going concern

The directors believe that the use of the going concern basis of accounting is appropriate. The Company has received confirmation from its ultimate parent, ESG-Utiligroup Holdings LLC, that it will provide the necessary financial support to meet the Company's liabilities as and when they fall due. The directors have considered new external risks in the year, namely the Covid-19 virus, and are taking the necessary actions to insulate the business. Accordingly, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and thus continue to adopt the going concern basis of accounting in preparing the financial statements.

### Charitable and political donations

No charitable or political donations were made by the company in the year. (December 2018: nil)

### Disclosure of information to the auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Independent Auditors

Pursuant to Section 485 of the Companies Act 2006, new auditors have been appointed and RSM UK Audit LLP has now taken office.

On behalf of the Board



Steve Gosling  
Director  
16 April 2020

## ***Statement of directors' responsibilities***

The directors are responsible for preparing the Strategic report, the Directors report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

## ***Independent auditors' report to the members of ESG-Utiligroup Bidco Limited***

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of ESG-Utiligroup Bidco Limited (the 'company') for the year ended 31 December 2019 which comprise the profit and loss account and other comprehensive income, the balance sheet, the statement of changes in equity and the 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 FRS 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 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

## ***Independent auditors' report to the members of ESG- Utiligroup Bidco Limited (continued)***

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 there is 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 has 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 or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 set out on page 4, 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.

## ***Independent auditors' report to the members of ESG-Utiligroup Bidco Limited (continued)***

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.

### **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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **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.

*RSM UK Audit LLP*

Alastair John Richard Nuttall ACA (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Bluebell House

Brian Johnson Way

Preston

Lancashire

PR2 5PE

16 April 2020

## Profit and loss account and other comprehensive income

for the year ended 31 December 2019

		<i>Year ended 31 December 2019</i>	<i>Year ended 31 December 2018 As restated</i>
	<i>Note</i>	<i>£</i>	<i>£</i>
Administrative expenses		(563,288)	(649,338)
<b>Operating loss</b>	4	(563,288)	(649,338)
Interest payable and similar expenses	7	(4,329,100)	(5,676,785)
Other expense	8	-	(712,606)
<b>Loss before taxation</b>		(4,892,388)	(7,038,729)
Tax charge for the year	9	-	(35,334)
<b>Loss for the financial year</b>		(4,892,388)	(7,074,063)

There were no other comprehensive income or expense in the year.

## Balance sheet

As at year end 31 December 2019

		<i>As at 31 December 2019</i>	<i>As at 31 December 2018</i>
	<i>Note</i>	<i>£</i>	<i>£</i>
<b>Fixed assets</b>			
Investments	10	114,428,000	114,428,000
		<u>114,428,000</u>	<u>114,428,000</u>
<b>Creditors: amounts falling due within one year</b>	11	(31,283,606)	(24,208,545)
<b>Net current liabilities</b>		<u>(31,283,606)</u>	<u>(24,208,545)</u>
<b>Total assets less current liabilities</b>		83,144,394	90,219,455
<b>Creditors: amounts falling due after more than one year</b>	12	(45,148,911)	(47,331,584)
<b>Net assets</b>		<u>37,995,483</u>	<u>42,887,871</u>
<b>Capital and reserves</b>			
Called up share capital	14	2,000	2,000
Share premium account	15	47,749,704	47,749,704
Capital contribution	15	1,308,768	1,308,768
Profit and loss account	15	(11,064,989)	(6,172,604)
<b>Total Shareholders' funds</b>		<u>37,995,483</u>	<u>42,887,871</u>

The financial statements on pages 8 to 19 were approved by the Board of Directors on 16 April 2020 and are signed on their behalf by:



Steve Gosling  
Director  
Registered number 10708569

## Statement of changes in equity

for the year ended 31 December 2019

	<i>Called up share capital</i>	<i>Share Premium</i>	<i>Capital contribution</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>
	£	£	£	£	£
At 1 January 2018 (as previously stated)	2,000	47,749,704	5,017,996	(2,432,666)	50,337,034
Prior period adjustment (note 2)	-	-	-	(1,683,868)	(1,683,868)
<b>At 1 January 2018 (as restated)</b>	<b>2,000</b>	<b>47,749,704</b>	<b>5,017,996</b>	<b>(4,116,534)</b>	<b>48,653,166</b>
Loss for the financial year	-	-	-	(7,074,063)	(7,074,063)
Capital Contribution	-	-	1,308,768	-	1,308,768
Issue of share capital	5,017,994	-	(5,017,994)	-	-
Bonus Share Cancellation	(5,017,994)	-	-	5,017,994	-
Redeemable Share Issue	2	-	(2)	-	-
Share Redemption	(2)	-	-	2	-
<b>At 1 January 2019</b>	<b>2,000</b>	<b>47,749,704</b>	<b>1,308,768</b>	<b>(6,172,601)</b>	<b>42,887,871</b>
Loss for the financial year	-	-	-	(4,892,388)	(4,892,388)
<b>At 31 December 2019</b>	<b>2,000</b>	<b>47,749,704</b>	<b>1,308,768</b>	<b>(11,064,989)</b>	<b>37,995,483</b>

## Notes to the financial statements

For the year ended 31 December 2019

ESG-Utiligroup Bidco Limited (Company number 10708569) is a private company limited by shares registered, incorporated and domiciled in England and Wales. The registered office and principal place of business is: Utilihouse, East Terrace, Euxton Lane, Chorley, Lancashire, England, PR7 6TE.

### 1. Accounting policies

#### *Basis of preparation*

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, including the provisions of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention. The accounting policies have been applied consistently.

The presentation currency of these financial statements is sterling. Monetary amounts in these financial statements are rounded to the nearest whole £1 except where otherwise indicated.

The Company adopted the amendment(s) to FRS 102 published in the Triennial Review 2017.

The Company’s parent undertaking includes the Company in its consolidated financial statements. The consolidated financial statements of ESG-Utiligroup Holdings LLC are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of the FRS) and has applied for the exemptions available under the FRS 102 in respect of the following disclosures:

- Section 7- Cash flow statement and related notes.

As the consolidated financial statements of ESG-Utiligroup Holdings LLC include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Section 11 - The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements, other than where new policies have been adopted.

- Section 33 – ‘Related Party Disclosures’ – compensation of key management personnel.

#### *Going concern*

The directors believe that the use of the going concern basis of accounting is appropriate. The Company has received confirmation from its ultimate parent, ESG-Utiligroup Holdings LLC, that it will provide the necessary financial support to meet the Company’s liabilities as and when they fall due. Accordingly, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and thus continue to adopt the going concern basis of accounting in preparing the financial statements.

#### *Consolidated financial statements*

The Company has taken advantage of the exemption in section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. Consequently, these financial statements present the financial position and financial performance of the Company as a single entity.

#### *Fixed asset Investments*

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries, associates and jointly controlled entities are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in profit or loss.

## Notes to the financial statements (continued)

For the year ended 31 December 2019

### 1. Accounting policies (continued)

#### **Basic financial instruments**

##### *Debtors / creditors*

Group debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

#### **Taxation**

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

## Notes to the financial statements (continued)

For the year ended 31 December 2019

### 1. Accounting policies (continued)

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

#### *Interest-bearing loans and borrowings*

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in interest payable in the profit and loss account.

The Company assesses whether there are any indicators of impairment for all assets. Investments in subsidiaries are tested for impairment when there are indicators that the carrying values may not be recoverable. When value-in-use calculations are undertaken, management must estimate expected cash flows from the asset or cash generating unit and choose a suitable discount rate to calculate the net present value of those cash flows.

#### *Significant judgements and estimates*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. Details regarding judgements which have the most significant effect on the amounts recognised in the financial statements are as follows:

#### *Carrying value of investment*

The Company assesses whether there are any indicators of impairment for all assets. Investments in subsidiaries are tested for impairment when there are indicators that the carrying values may not be recoverable. When value-in-use calculations are undertaken, management must estimate expected cash flows from the asset or cash generating unit and choose a suitable discount rate to calculate the net present value of those cash flows.

## Notes to the financial statements (continued)

For the year ended 31 December 2019

### 2. Prior period adjustment

In the prior year financial statements, a loss on foreign exchange differences of £1,683,868 was recognised as an expense within interest payable and similar expenses. This loss related to a financing transaction that occurred in the period ended 31 December 2017, and so should have been recognised in that period. An adjustment has been made to the prior year results to reflect the appropriate period in which the loss arose.

#### Changes to the profit and loss account and other comprehensive income

	Year ended 31 December 2018		
	As previously reported £	Adjustment £	As restated £
Interest payable and similar expenses	7,360,653	(1,683,868)	5,676,785
Foreign exchange loss	2,405,811	(1,683,868)	721,943
Loss after taxation	<u>(8,757,931)</u>	<u>1,683,868</u>	<u>(7,074,063)</u>

#### Changes to the balance sheet

There was no impact on the comparative balance sheet presented.

	Year ended 31 December 2018		
	As previously reported £	Adjustment £	As restated £
Profit and loss reserve brought forward	<u>(2,432,666)</u>	<u>(1,683,868)</u>	<u>(4,116,534)</u>

### 3. Turnover

The company has not traded in the year (2018: No trade).

### 4. Operating loss

There has been no trade during the year, however costs relating to financing activities resulted in an operating loss at 31 December 2019 of £563,288 (2018: £649,338 in relation to the acquisition of Apose Solutions Ltd in May 2018).

All audit and non-audit costs paid to the company's auditors in the current year was borne by Utilisoft Limited and no recharge was made. Total costs for the year were £68,000 (2018: £65,644), with £1,000 (2018: £1,000) attributing to EGS-Utiligroup Bidco Limited.

### 5. Particulars of employees

The company had no employees and therefore no employee costs during the year, (2018: no employees).

### 6. Directors' remuneration

The Directors remuneration is in relation to their services to the Utiligroup Group as a whole. These costs were borne by Utilisoft, a fellow group undertaking and no other recharge was made. The directors of the company are also directors of the holding company and fellow subsidiaries. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the holding and fellow subsidiary companies.

Other than the Directors disclosed within these financial statements, the company has no employees.

## Notes to the financial statements (continued)

For the year ended 31 December 2019

### 7. Interest payable and similar expenses

	<i>Year ended 31 December 2019</i>	<i>Year ended 31 December 2018 As restated</i>
	£	£
Bank loans and overdrafts	3,516,537	3,588,130
Other loans	1,025,410	1,191,757
Foreign exchange (gain)/loss	(419,433)	721,943
Amortisation of loan arrangement fees	206,586	174,955
	<u>4,329,100</u>	<u>5,676,785</u>

### 8. Other Expense

	<i>Year ended 31 December 2019</i>	<i>Year ended 31 December 2018</i>
	£	£
Other expense	-	712,606
	<u>-</u>	<u>712,606</u>

Other expense relates to the cost of redeeming shares in the year.

## Notes to the financial statements (continued)

For the year ended 31 December 2019

### 9. Tax on loss

- (a) Total tax expense recognised in the profit and loss account, other comprehensive income and equity:

	<i>Year ended 31 December 2019</i>	<i>Year ended 31 December 2018</i>
	£	£
<b>Current tax:</b>		
UK corporation tax at 19%	-	-
Adjustment in respect of prior periods	-	35,334
Total current tax	-	35,334
<b>Deferred tax:</b>		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Total tax	-	-

All tax is recognised within the profit and loss account for the current year and prior year.

- (b) Factors affecting current tax charge for the year

The tax assessed for the year ended 31 December 2019 is lower (31 December 2018: lower) than the standard rate of corporation tax in the UK of 19% (year ended 31 December 2018: 19%). The differences are explained below:

	<i>Year ended 31 December 2019</i>	<i>Year ended 31 December 2018</i>
	£	£
Loss before taxation	<u>(4,892,388)</u>	<u>(8,722,597)</u>
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19% (year ended 31 December 2018: 19%)	(929,554)	(1,657,293)
<b>Effects of:</b>		
Adjustments in respect of prior periods	-	35,334
Expenses not deductible for tax purposes	102,006	(543,639)
Group Relief surrendered	827,548	(1,113,654)
Total tax charge	<u>-</u>	<u>35,334</u>

- (c) Factors that may affect future tax charges

The rate of UK corporation tax that was enacted at the balance sheet date was 19%.

The impact of the above changes will reduce the company's future current tax charge. There is no impact of these changes on the financial statements.

## Notes to the financial statements (continued)

For the year ended 31 December 2019

### 10. Investments

	<i>Subsidiary undertakings £</i>
Cost and net book value:	
At 1 January 2019	114,428,000
Additions	-
At 31 December 2019	<u>114,428,000</u>

Details of subsidiaries are as follows:

	<i>Country of incorporation</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Utiligroup Limited	England	Ordinary shares	100%	Holding company
Utiligroup Acquisitions Limited *	England	Ordinary shares	100%	Holding company
Utiligroup Holdings Limited*	England	Ordinary shares	100%	Holding company
Utilisoft Limited*	England	Ordinary shares	100%	Software Managed Data
Utiliserve Limited*	England	Ordinary shares	100%	Services
Draig Technology Ltd*	England	Ordinary shares	100%	Dormant
Aprose Solutions Limited*	England	Ordinary shares	100%	Software
Accelero Digital Solutions Limited*	England	Ordinary shares	100%	Software
KWR Technologies Limited*	England	Ordinary shares	100%	Software

\* Denotes held through a subsidiary

All subsidiaries are registered at Utilihouse, East Terrace, Chorley PR7 6TE.

### 11. Creditors: amounts falling due within one year

	<i>31 December 2019 £</i>	<i>31 December 2018 £</i>
Loans (note 13)	2,357,286	2,525,894
Corporation tax payable	-	-
Amounts owed to group undertakings	<u>28,926,320</u>	<u>21,682,651</u>
	<u>31,283,606</u>	<u>24,208,545</u>

## Notes to the financial statements (continued)

For the year ended 31 December 2019

### 12. Creditors: amounts falling due after more than one year

	<i>31 December 2019</i>	<i>31 December 2018</i>
	<i>£</i>	<i>£</i>
Loans (note 13)	<u>45,148,911</u>	<u>47,331,584</u>

### 13. Loans

Loans repayable, included within creditors, are analysed as follows:

	<i>31 December 2019</i>	<i>31 December 2018</i>
	<i>£</i>	<i>£</i>
Bank loan wholly repayable within 5 years	<u>47,440,801</u>	<u>49,857,478</u>
	<u>47,440,801</u>	<u>49,857,478</u>

Loan arrangement fees included in the above as at 31 December 2019 are £453,825 (2018: £660,410) and are being amortised over the life of the loans.

The Bank loan consist of one facility. The total facility is £47,960,020 (2018: £50,517,888) and is repayable at a rate of 5% pa with the final bullet payment due in May 2022. The loan attracts interest over the term at a rate of 7% per annum above LIBOR. The bank loans are secured by a floating charge over the group's assets.

### 14. Called up share capital

	<i>31 December 2019</i>		<i>31 December 2018</i>	
<i>Authorised:</i>	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Ordinary shares of £1 each	2,000	<u>2,000</u>	2,000	<u>2,000</u>

  

	<i>31 December 2019</i>		<i>31 December 2018</i>	
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Ordinary shares of £1 each	2,000	<u>2,000</u>	2,000	<u>2,000</u>

On 15<sup>th</sup> May 2018, 5,491 Bonus Ordinary shares with a nominal value of £926 each were issued from the capital contribution reserve and immediately cancelled, resulting in an increase of the profit and loss account reserve.

On 15<sup>th</sup> May 2018, 2 R1 redeemable shares with a nominal value of £1 each and a redeemable value of \$500,000 each were issued from the capital contribution reserve. These were redeemed on the 25<sup>th</sup> May 2018.

## Notes to the financial statements (continued)

For the year ended 31 December 2019

### 15. Reconciliation of shareholders' funds and movements on reserves

	<i>Called up share capital</i>	<i>Share Premium</i>	<i>Capital Contribution</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>
	£	£	£	£	£
At 1 January 2019	2,000	47,749,704	1,308,768	(6,172,601)	42,887,871
Movement in year	-	-	-	(4,892,388)	(4,892,388)
At 31 December 2019	<u>2,000</u>	<u>47,749,704</u>	<u>1,308,768</u>	<u>(11,064,989)</u>	<u>37,995,483</u>

#### *Profit and loss account*

Cumulative profit and loss net of distribution to owners.

#### *Share premium*

Consideration received for shares issued above their nominal value net of transaction costs.

### 16. Related party transactions

The company has taken advantage of the exemption available under FRS 102 not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling parent.

### 17. Ultimate parent undertaking

The company is a wholly owned subsidiary of ESG- Utiligroup Intermediate Limited, a company incorporated in England & Wales. Following the company sale by its owners on 14 April 2017, the Ultimate parent is Accel-KKR by virtue of its controlling holding in ESG-Utiligroup Holdings LLC. ESG-Utiligroup Holdings LLC is both the smallest and largest group for which group financial statement are prepared and in which the company is included. The consolidated financial statements of ESG-Utiligroup Holdings LLC are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.