

**GROUP STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019  
FOR  
ENSEK HOLDINGS LIMITED**



**ENSEK HOLDINGS LIMITED**

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for the year ended 31 March 2019**

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**ENSEK HOLDINGS LIMITED**  
**COMPANY INFORMATION**  
**for the year ended 31 March 2019**

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**DIRECTORS:**

D J Bains  
P E Bennett  
J C Green  
J L Kirk  
E P Minshull  
I Peters  
J A Slade  
A J Stevenson  
M Wright

**REGISTERED OFFICE:**

Watercourt  
116-118 Canal Street  
Nottingham  
NG1 7HF

**REGISTERED NUMBER:**

10923200 (England and Wales)

**AUDITORS:**

Grant Thornton UK LLP  
Chartered Accountants  
Senior Statutory Auditor  
Regent House  
80 Regent Road  
Leicester  
LE1 7NH

**ENSEK HOLDINGS LIMITED**  
**GROUP STRATEGIC REPORT**  
**for the year ended 31 March 2019**

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The directors present their strategic report of the company and the group for the year ended 31 March 2019.

**Principal Activities of the Business**

ENSEK Holdings Limited is the parent company of ENSEK Limited a company that develops and implements a suite of software, advisory and managed service solutions to new entrants and established players operating in the residential, SME and I&C energy sectors. The Group focuses on delivering cutting edge SaaS solutions to customers facilitating agility and real time insight in a rapidly digitalising and data rich UK energy sector.

Modular solutions are offered to customers, these include:

- Market Entry: pre-accredited supply companies ready for Controlled Market Entry.
- Market Communications: highly automated, real-time market messaging platform across electricity and gas market flows and smart meters, supports DTC, IX and Smart DCC. Event-driven workflows for proactive task management.
- Managed Services: industry process management and exception handling including gain / loss, metering and settlements.
- Customer Management: in-life account management with customer online self-serve, mobile app and broker / partner portals. Multi-channel module to streamline customer communication.
- Billing: meter read validation, estimation, charging and invoicing from fixed products and single sites through to complex groups and flex products.
- Revenue Assurance: market-leading meter-level reconciliation of settled and billed volumes to identify revenue leakage including real-time cost and volume monitoring.
- Energy Accounting: unique customer-level cost and margin reporting to facilitate performance reporting and optimisation.
- Analytics: next generation real-time analytics platform with zero latency on production capacity. Advanced data science to analyse trends and better understand the customers.
- Smart: DCC adapter for smart meters enabling seamless and consistent data integration across the energy supply network.

The Group supports a range of customers, from new entrants navigating the energy sector for the first time, to established mid-market suppliers which have achieved scale and 'Big 6' utility suppliers.

We sell SaaS products to customers on an enterprise subscription basis, typically on 3 to 5 year contracts with a fixed minimum subscription fee and incremental additional fees linked to customers' meter point volume.

**Summary**

During FY19 ENSEK continued to deliver the strong trajectory of growth achieved in recent years as Annualised Recurring Revenue (ARR) increased strongly driven by new customer acquisitions and the expansion of existing customer relationships.

As a business we continue to focus heavily on ARR as a metric which is calculated as the full annual run rate of committed contracts, including those which are being implemented, minus any known churn. ARR presents a strong lead indicator of future recognized revenue.

Revenue increased by 41% to £8.7m in FY19, driven by several elements including; new customer acquisitions; expansion of customer meter volumes; and upsell of new capability and services into our existing customer base.

**ENSEK HOLDINGS LIMITED**  
**GROUP STRATEGIC REPORT**  
**for the year ended 31 March 2019**

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**BUSINESS REVIEW**

**Business Review**

Following Lloyds Development Capital (LDC) investing in ENSEK in October 2017, a clear strategy was developed by the Board with the following objectives:

- to invest in the business to drive accelerated SaaS bookings and recurring revenue growth;
- to increase the proportion of revenue contributed by SaaS products;
- to invest in our operating platform and people to enable the business to scale effectively; and
- to continue to invest in the development of new products and features to deliver new capability and the continuing advancement and improvement of existing services.

Significant progress has been achieved against each of these objectives during FY19.

**1). Invest in the business to drive accelerated SaaS bookings and recurring revenue growth**

As a next generation tech focused business our ambition is to grow both the value and proportion of recurring SaaS revenue by continuously advancing the reach and capability of our products, enabling our customers to win in a rapidly changing, digitalising energy sector.

During FY19 ENSEK continued to deliver strong recurring revenue and SaaS growth. ARR increased by strongly driven by new customer bookings and supporting our customers to organically grow their meter volume. The proportion of recurring revenue increased from 81% to 90% during FY19.

As a business we have continued to invest heavily in the advancement of our SaaS solution and in bringing new innovative products to market, most notably our Smart DCC Adaptor and new Data Analytics platform. This investment will drive future revenue and ARR growth in the medium term.

**2). Increase the proportion of revenue contributed by SaaS products**

The proportion of SaaS recurring revenue continued to increase during FY19 as non-recurring professional services contributed a lower portion of revenue against a growing base of recurring SaaS customers.

SaaS revenue increased by 77% to £5.7m and the proportion of SaaS revenue grew to 66% from 52%. SaaS related ARR also increased by 63% to £8.4m and as a proportion of total ARR increased to 83% from 76%.

**3). Invest in our operating platform and people to enable the business to scale effectively**

To support growth of revenue and ARR during FY19 we continued to invest heavily in our people and operations ahead of future customer volume and revenue growth. Total headcount grew to 127 as we added high calibre employees to the team and refined operational processes to enable friction free future scaling. Operating expenses increased by £2.4m (56%) to £6.4m representing 74% of revenue.

**4). Invest in the development of new products and features to deliver new capability and the continuing advancement and improvement of existing services.**

Significant revenue growth has enabled the business to continue to invest heavily in the advancement of our SaaS solution and in bringing new innovative products to market. During FY19 ENSEK has brought two significant new product developments to market:

- DCC Smart Adaptor: allowing our customers to interact with the digital smart meter infrastructure, capture data and enable the introduction of innovative and differentiating pricing mechanisms.
- Data Analytics: next generation, market leading data analytics platform encompassing machine learning, artificial intelligence and propensity modelling to deliver real-time insight to our customers.

Following strong financial performance delivered during FY19 and continued investment in efficient, scalable operations, ENSEK is uniquely positioned to capitalise on its industry leading technology to deliver market disrupting solutions, enabling our customers to succeed in a rapidly changing sector.

**Market**

ENSEK's strong financial performance has been supported by market tailwinds as the UK energy sector continues to contend with the disruptive impact of increased competition, increased switching, a changing regulatory environment and rapid digitalisation.

We expect market forces to remain positive in the medium term underpinned by a strong and growing independent sector and increasingly accessible data, driven by the smart meter roll out. Strong analytics capability will enable suppliers to better understand their customer base and offer increasingly differentiated and tailored tariff structures.

Whilst there has been a marginal slow down of new suppliers entering the UK market in the last year, proposed changes to the Ofgem licensing process mean those entering are more likely to succeed with better funding in place and well considered market propositions.

**ENSEK HOLDINGS LIMITED**  
**GROUP STRATEGIC REPORT**  
**for the year ended 31 March 2019**

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The increasingly dynamic and data rich retail energy sector continues to present significant opportunity for ENSEK to deliver continued strong growth.

**PRINCIPAL RISKS AND UNCERTAINTIES**

**Principal Risks and Uncertainties**

The Directors continue to identify and evaluate operational and other risks faced by the Group, implementing changes where necessary to reduce risk to manageable levels.

A summary of the key risks is provided below.

**Credit Risk**

The Group's principal financial assets are bank balances and cash, trade receivables and other receivables. The Group's credit risk is primarily related to trade receivables. The balances presented in the balance sheet are net of allowances for doubtful receivables. There have been several high-profile energy supplier failures in the last 12 months. Group policies are aimed at minimising any bad debt write offs by performing robust credit assessment of new customers and continuous assessment of the credit worthiness of existing customers.

Customers are normally heavily reliant on the SaaS and services provided by ENSEK as business critical software, which can be readily cancelled for non-payment, in accordance with terms and conditions, further mitigating exposure to credit risk.

**Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group aims to mitigate liquidity risk by managing cash generation from its operations, collecting cash from trade debtors in line with agreed terms and carefully managing accounts payable.

The Board reviews the Group's liquidity at monthly meetings. The Group also prepares weekly short-term cash flow forecasts and maintains flexibility by maintaining appropriate headroom in its cash position.

**Going Concern**

In accordance with the Guidance on Going Concern and Liquidity Risk Guidance for UK Companies 2009, the Directors confirm that, after making enquiries, they have a reasonable expectation that the Company and the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

**ON BEHALF OF THE BOARD:**



.....  
J A Slade - Director

Date:

23/10/2019

**ENSEK HOLDINGS LIMITED**  
**REPORT OF THE DIRECTORS**  
**for the year ended 31 March 2019**

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The directors present their report with the financial statements of the company and the group for the year ended 31 March 2019.

**PRINCIPAL ACTIVITY**

ENSEK Holdings Limited is a holding company for a group of companies that are a leading provider of innovative SaaS, Managed Service and Consultancy solutions to the Utilities and Energy industry, enabling customers to improve their business performance and competitiveness.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2019 (2018: £nil).

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2018 to the date of this report.

D J Bains  
P E Bennett  
J C Green  
J L Kirk  
E P Minshull  
I Peters  
J A Slade  
A J Stevenson  
M Wright

**RESULTS**

The loss for the period, after taxation, amounted to £1,073,707 (2018 (restated): £266,059).

**MATTERS COVERED IN THE STRATEGIC REPORT**

Future developments are covered in the strategic report.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the group and of the profit or loss of the group 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;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

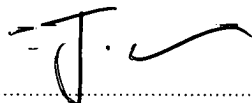
**ENSEK HOLDINGS LIMITED**  
**REPORT OF THE DIRECTORS**  
**for the year ended 31 March 2019**

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**AUDITORS**

The auditors, Grant Thornton UK LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



.....  
J A Slade - Director

Date: 23/10/2019



## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ENSEK HOLDINGS LIMITED

### Opinion

#### **Our opinion on the financial statements is unmodified**

We have audited the financial statements of ENSEK Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated and Company Statements of Changes in Equity, the Consolidated 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 the preparation of the group and parent company financial statements 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 group's and of the parent company's affairs as at 31 March 2019 and of the group's loss for the year then ended;
- the group and parent company financial statements 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 group and the parent 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 as applied to listed entities, 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 group's or the parent 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.

#### **Overview of our audit approach**



- Overall materiality: £87,000 which represents 1% of the group's revenue;
- Key audit matters were identified as impairment of fixed asset investments (company only) and impairment of goodwill (group) and existence and valuation of capitalised development costs (group);
- We performed full scope audit procedures for ENSEK Holdings Limited and ENSEK Limited.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
ENSEK HOLDINGS LIMITED (CONTINUED)**

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**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Key Audit Matter**

**Risk 1 Impairment of fixed asset investments (company only) and impairment of goodwill (group)**

On 3 October 2017 the company purchased 100% of the share capital in ENSEK Limited and its subsidiary companies. This is recognised as a fixed asset investment in the financial statements of ENSEK Holdings Limited, and forms the basis for the calculation of goodwill on consolidation. There is a risk that the carrying value of the fixed asset investment is impaired and that the carrying value of goodwill is therefore also impaired.

We therefore identified impairment of the fixed asset investment in the company and impairment of goodwill in the group as a significant risk, which was one of the most significant assessed risks of material misstatement.

**How the matter was addressed in the audit.**

Our audit work included, but was not restricted to:

- Consideration of the appropriateness of the accounting policy applied by management in their calculation of the impairment of fixed asset investments and of goodwill;
- Compared the carrying value of the investment to the audited net assets of the subsidiary companies for evidence of impairment; and
- Confirmed management's assessment of fair value of the business less costs to sell by checking against external indicators of fair value.

The group's accounting policy on investment and goodwill valuation is shown in note 2 to the financial statements and related disclosures are included in notes 12 and 14.

**Key observations**

Based on our audit work, our testing did not identify any evidence that there is an impairment of fixed asset investments (company only) and of goodwill (group) in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
ENSEK HOLDINGS LIMITED (CONTINUED)**

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**Risk 2 Existence and valuation of capitalised development costs (Group)**

At the year end the Group had capitalised development costs of £4,788,457, offset by £2,310,274 of amortisation.

The calculation of capitalised development costs at 31 March 2019 requires consideration of:

- Whether costs meet the criteria for capitalisation as development costs;
- Whether development costs are captured accurately; and
- Whether the amortisation charge applied is appropriate and has been calculated in accordance with the relevant accounting policy

We therefore identified existence and valuation of capitalised development costs as a significant risk, which was one of the most significant assessed risks of material misstatement.

Our audit work included, but was not restricted to:

- Consideration of the appropriateness of the methodology applied by management in their calculation of the capitalised development costs by comparing it to the group's accounting policy and our understanding of the business;
- Checking the mathematical accuracy of management's calculations;
- Reconciliation of the costs capitalised and agreement to supporting documentation, such as employee role specifications, payroll details and calculations of payroll on-costs and overhead attribution;
- Reperformance of the calculation of the amortisation charge for the current year to confirm that amortisation has been charged in line with the group's accounting policy;
- Checked the profit forecasts to confirm that the group expects to generate probable future economic benefits from the capitalised development costs; such checking specifically focused on revenue and in particular the current run rate of contracted revenue, the enquiry pipeline and the assumed rate of conversion of that pipeline; and
- Validation of costs capitalised for appropriateness in relation to the requirements of FRS 102.

The group's accounting policy on capitalised development costs is shown in note 2 to the financial statements and related disclosures are included in note 12.

**Key observations**

Based on our audit work, we identified that certain development costs (sub-contractor costs) were only partially capitalised. Management made adjustments to increase capitalisation by £235,560 in 2018 and £390,817 in 2019 and amortisation by £32,786 in 2018 and £161,083 in 2019 to reflect this. Adjustments in respect of 2018 have been treated as prior year adjustments. No other misstatements were identified.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
ENSEK HOLDINGS LIMITED (CONTINUED)**

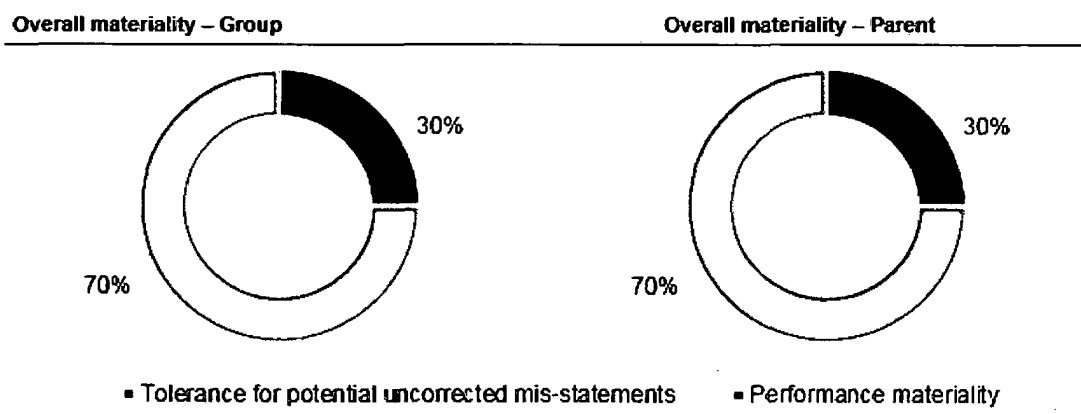
**Our application of materiality**

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

Materiality was determined as follows:

<b>Materiality measure</b>	<b>Group</b>	<b>Parent</b>
Financial statements as a whole	£87,000 which is 1% of the group's revenue. This benchmark is considered the most appropriate because revenue is a key measure used by management and shareholders in assessing the performance of the business.  Materiality for the current year is higher than the level that we determined for the period ended 31 March 2018 to reflect the increase in group revenue in the year.	£61,000 which is 0.4% of total assets. This benchmark is considered the most appropriate because the parent has no revenue other than intercompany recharges and only holds investments in subsidiaries and loan note and is therefore considered to be an asset based business.  Materiality for the current year is lower than the level that we determined for the period ended 31 March 2018 to reflect the decrease in total assets in the current year.
Performance materiality used to drive the extent of our testing	70% of financial statement materiality.	70% of financial statement materiality.
Specific materiality	We determined a lower level of specific materiality for certain areas such as directors' remuneration and related party transactions due to the inherent sensitivity of these transactions and related disclosures.	We determined a lower level of specific materiality for certain areas such as directors' remuneration and related party transactions due to the inherent sensitivity of these transactions and related disclosures.
Communication of misstatements to the audit committee	£4,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£3,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.



## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ENSEK HOLDINGS LIMITED (CONTINUED)

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### **An overview of the scope of our audit**

Our audit approach was a risk-based approach founded on a thorough understanding of the group's business, its environment and risk profile and in particular included:

- evaluation by the group audit team of identified components to assess the significance of that component and to determine
- for those components that were evaluated as significant components, either a full scope or targeted audit approach was determined based on their relative materiality to the Group and our assessment of the audit risk. For significant components requiring a full scope approach, we evaluated controls over the financial reporting systems identified as part of our risk assessment, and addressed critical accounting matters.
- In order to address the audit risks described above as identified during our planning procedures, we performed a full-scope audit of the financial statements of the parent company, ENSEK Holdings Limited, and of its subsidiary ENSEK Limited. An analytical approach was undertaken on Inteligen 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 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.

### **Our opinion on other matters prescribed by the Companies Act 2006 is unmodified**

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 under the Companies Act 2006**

In the light of the knowledge and understanding of the group and the parent 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.

### **Matters on which we are required to report by exception**

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
ENSEK HOLDINGS LIMITED (CONTINUED)**

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**Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on page 5, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

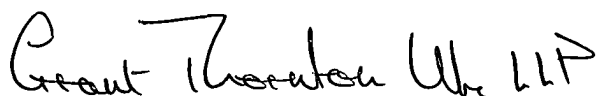
**Auditor's responsibilities for the audit of the financial statements**

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: [www.frc.org.uk/auditorsresponsibilities](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.



Christopher Frostwick

Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants

East Midlands

Date: 23.10.19.

**ENSEK HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**for the year ended 31 March 2019**

	Notes	Year Ended 31/3/19 £	Period 18/8/17 to 31/3/18 as restated £
<b>TURNOVER</b>	4	<b>8,676,984</b>	3,486,654
Cost of sales		<u>(846,681)</u>	<u>(397,397)</u>
<b>GROSS PROFIT</b>		<b>7,830,303</b>	3,089,257
Exceptional costs		<b>(446,800)</b>	-
Administrative expenses		<u>(7,718,010)</u>	<u>(3,054,250)</u>
<b>OPERATING (LOSS)/PROFIT</b>	6	<b>(334,507)</b>	35,007
Interest payable and similar expenses	9	<u>(863,859)</u>	<u>(413,862)</u>
<b>LOSS BEFORE TAXATION</b>		<b>(1,198,366)</b>	(378,855)
Tax on loss	10	<u>124,659</u>	<u>112,796</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u><b>(1,073,707)</b></u>	<u>(266,059)</u>

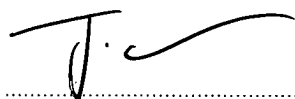
There were no recognised gains and losses for 2019 or 2018 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2019 (2018: £Nil)

**CONSOLIDATED BALANCE SHEET**  
31 March 2019

		2019	2018 as restated
	Notes	£	£
<b>FIXED ASSETS</b>			
Intangible assets	13	13,176,483	13,435,840
Tangible assets	14	302,989	283,219
Investments	15	-	-
		<u>13,479,472</u>	<u>13,719,059</u>
<b>CURRENT ASSETS</b>			
Debtors	16	2,443,999	2,065,791
Cash at bank and in hand	17	<u>1,794,247</u>	<u>1,856,458</u>
		4,238,246	3,922,249
<b>CREDITORS</b>			
Amounts falling due within one year	18	<u>(1,848,033)</u>	<u>(2,178,275)</u>
<b>NET CURRENT ASSETS</b>		<u>2,390,213</u>	<u>1,743,974</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		15,869,685	15,463,033
<b>CREDITORS</b>			
Amounts falling due after more than one year	19	(11,256,508)	(10,437,697)
<b>PROVISIONS FOR LIABILITIES</b>	23	<u>(911,976)</u>	<u>(250,428)</u>
<b>NET ASSETS</b>		<u>3,701,201</u>	<u>4,774,908</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	24	24,862	24,862
Share premium	25	5,016,105	5,016,105
Retained earnings	25	<u>(1,339,766)</u>	<u>(266,059)</u>
		<u>3,701,201</u>	<u>4,774,908</u>

The financial statements were approved by the Board of Directors on its behalf by:



J A Slade - Director

23<sup>rd</sup> OCTOBER 2019 and were signed on

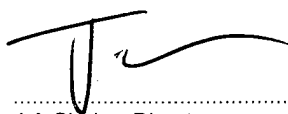


ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

COMPANY BALANCE SHEET  
31 March 2019

		2019	2018
	Notes	£	£
<b>FIXED ASSETS</b>			
Investments	15	<u>15,025,164</u>	<u>15,025,164</u>
		<u>15,025,164</u>	<u>15,025,164</u>
<b>CURRENT ASSETS</b>			
Debtors	16	167,216	559,061
<b>CREDITORS</b>			
Amounts falling due within one year	18	<u>(348,465)</u>	<u>(589,311)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(181,249)</u>	<u>(30,250)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		14,843,915	14,994,914
<b>CREDITORS</b>			
Amounts falling due after more than one year	19	<u>(11,224,140)</u>	<u>(10,392,670)</u>
<b>NET ASSETS</b>		<u>3,619,775</u>	<u>4,602,244</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	24	24,862	24,862
Share premium	25	5,016,105	5,016,105
Retained earnings	25	<u>(1,421,192)</u>	<u>(438,723)</u>
		<u>3,619,775</u>	<u>4,602,244</u>
Company's loss for the financial year		<u>(982,469)</u>	<u>(438,723)</u>

The financial statements were approved by the Board of Directors on 23<sup>rd</sup> October 2019 and were signed on its behalf by:



J A Slade - Director

ENSEK HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
for the year ended 31 March 2019

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance at 18 August 2017</b>	-	-	1,029,214	1,029,214
<b>Changes in equity</b>				
Issue of share capital	24,862	-	3,986,891	4,011,753
Total comprehensive income (as previously stated)	-	(468,833)	-	(468,833)
Balance at 31 March 2018 (as previously stated)	24,862	(468,833)	5,016,105	4,572,134
Prior year adjustment	-	202,774	-	202,774
<b>At 31 March 2018 (as restated)</b>	24,862	(266,059)	5,016,105	4,774,908
<b>Changes in equity</b>				
Total comprehensive income	-	(1,073,707)	-	(1,073,707)
<b>Balance at 31 March 2019</b>	24,862	(1,339,766)	5,016,105	3,701,201

The notes form part of these financial statements

**ENSEK HOLDINGS LIMITED**  
**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**for the year ended 31 March 2019**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Changes in equity</b>				
Issue of share capital	24,862	-	5,016,105	5,040,967
Total comprehensive income	<u>-</u>	<u>(438,723)</u>	<u>-</u>	<u>(438,723)</u>
<b>Balance at 31 March 2018</b>	<u>24,862</u>	<u>(438,723)</u>	<u>5,016,105</u>	<u>4,602,244</u>
<b>Changes in equity</b>				
Total comprehensive income	<u>-</u>	<u>(982,469)</u>	<u>-</u>	<u>(982,469)</u>
<b>Balance at 31 March 2019</b>	<u><u>24,862</u></u>	<u><u>(1,421,192)</u></u>	<u><u>5,016,105</u></u>	<u><u>3,619,775</u></u>

The notes form part of these financial statements

**ENSEK HOLDINGS LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 31 March 2019

		Year Ended 31/3/19	Period 18/8/17 to 31/3/18 as restated £
	Notes	£	
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	1,870,010	2,313,345
Tax received		<u>300,977</u>	<u>-</u>
Net cash from operating activities		<u>2,170,987</u>	<u>2,313,345</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(2,067,276)	(908,471)
Purchase of tangible fixed assets		(121,764)	(44,059)
Purchase of fixed asset investments		-	(15,025,164)
Sale of tangible fixed assets		-	3,863
Cash acquired on purchase of business		-	505,534
Hire purchase interest paid		<u>(1,866)</u>	<u>(1,572)</u>
Net cash from investing activities		<u>(2,190,906)</u>	<u>(15,469,869)</u>
<b>Cash flows from financing activities</b>			
Issue of ordinary shares		-	5,040,967
Other new loans		831,470	10,392,670
Repayment of finance leases		(11,769)	(8,365)
Interest paid		<u>(861,993)</u>	<u>(412,290)</u>
Net cash from financing activities		<u>(42,292)</u>	<u>15,012,982</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(62,211)</u>	<u>1,856,458</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>1,856,458</u>	<u>-</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>1,794,247</u></u>	<u><u>1,856,458</u></u>

The notes form part of these financial statements

ENSEK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 March 2019

1. RECONCILIATION OF LOSS FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS

	Year Ended 31/3/19	Period 18/8/17 to 31/3/18 as restated
	£	£
Loss for the financial year	(1,073,707)	(266,059)
Depreciation charges	101,994	64,555
Loss on disposal of fixed assets	-	6,376
Amortisation charges	2,326,633	976,204
Finance costs	863,859	413,862
Taxation	(124,659)	(112,796)
	<b>2,094,120</b>	<b>1,082,142</b>
Increase in trade and other debtors	(339,778)	(276,345)
Increase in trade and other creditors	<b>115,668</b>	<b>1,507,548</b>
<b>Cash generated from operations</b>	<b><u>1,870,010</u></b>	<b><u>2,313,345</u></b>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2019

	31/3/19 £	1/4/18 £
Cash and cash equivalents	<b><u>1,794,247</u></b>	<b><u>1,856,458</u></b>

Period ended 31 March 2018

	31/3/18 £	18/8/17 £
Cash and cash equivalents	<b><u>1,856,458</u></b>	<b><u>-</u></b>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/4/18 £	Cash flow £	At 31/3/19 £
<b>Net cash</b>			
Cash at bank and in hand	<b><u>1,856,458</u></b>	<b><u>(62,211)</u></b>	<b><u>1,794,247</u></b>
	<b><u>1,856,458</u></b>	<b><u>(62,211)</u></b>	<b><u>1,794,247</u></b>
<b>Debt</b>			
Finance leases	(55,906)	11,769	(44,137)
Debts falling due after 1 year	<b><u>(10,392,670)</u></b>	<b><u>(831,470)</u></b>	<b><u>(11,224,140)</u></b>
	<b><u>(10,448,576)</u></b>	<b><u>(819,701)</u></b>	<b><u>(11,268,277)</u></b>
<b>Total</b>	<b><u>(8,592,118)</u></b>	<b><u>(881,912)</u></b>	<b><u>(9,474,030)</u></b>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended 31 March 2019

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**1. STATUTORY INFORMATION**

ENSEK Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The company was incorporated on 18 August 2017. The 2018 figures represent the results for the first accounting period from 18 August 2017 to 31 March 2018.

ENSEK Holdings Limited is a holding company for a group of companies that are a leading provider of innovative SaaS, Managed Service and Consultancy solutions to the Utilities and Energy industry, enabling customers to improve their business performance and competitiveness.

The energy sector is unique and complex, providing a distinctive set of challenges for any organisation wanting to become a participant. Data is at the heart of these challenges and ENSEK's unique combination of platform solutions, outsourced services and innovative industry consultants remove competitive barriers and allow our customers to stay ahead of technological and market change, deliver exceptional customer service, and gain critical visibility over revenue and margin.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The presentational currency of the financial statements is Sterling (£).

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within the notes to the accounts (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

**Basis of consolidation**

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

**Revenue**

The principal revenue streams are recurring revenue and non-recurring revenue.

Recurring revenue is software sales, managed services and software support. Software revenue is recognised at the point at which the software is activated. Managed services and software support revenue is recognised monthly on a straight line basis over the term of the contract.

Non-recurring revenue is made up of professional services. Revenue is recognised based on stage of completion.

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Amortisation is charged based on the expected useful life of 10 years.

ENSEK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2019

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2. ACCOUNTING POLICIES - continued

**Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Short leasehold land & buildings	- 25% straight line
Motor vehicles	- 25% reducing balance
Computer equipment	- 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

**Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2019

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2. ACCOUNTING POLICIES - continued

**Operating leases: the group as lessee**

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard (1 April 2016) to continue to be charged over the period to the first market rent review rather than the term of the lease.

**Leased assets: the company as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

**Borrowing costs**

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the period in which they are incurred.



ENSEK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2019

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2. ACCOUNTING POLICIES - continued

**Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the income statement in finance costs or income as appropriate. The Group does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**Finance costs**

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2019

2. ACCOUNTING POLICIES - continued

**Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives of 3 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

The Group has chosen to amend its accounting policy in respect of research and development and now capitalises 100% of subcontractor costs. This change of policy is believed to better reflect the requirements of FRS 102. This policy has been retrospectively applied as at 31 March 2018 and 31 March 2019 and prior year figures restated accordingly.

**ENSEK HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
for the year ended 31 March 2019

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

**(i) Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

**(ii) Impairment of debtors**

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

**(iii) Provision for tax**

The Group makes an estimate of the corporation tax liability due to HM Revenue & Customs as at the balance sheet date. When assessing the liability, the directors evaluate all aspects which may be open to interpretation and take specialist advice where necessary.

**(iv) Professional services work**

The Group makes an estimate of the stage of completion of professional services work to determine the recognition of revenue in respect of this work.

**(v) Capitalisation of development costs**

The Group applies judgement to determine whether an R&D project has met the capitalisation criteria under FRS 102. Estimation is applied to determine how development costs are captured, and the stage of completion of work done.

**(vi) Provision for claim**

A provision of £446,000 has been made at March 2019 relating to a claim made against the business.

**4. TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	Year Ended 31/3/19	Period 18/8/17 to 31/3/18
	£	£
Recurring SaaS	5,744,762	2,571,884
Recurring managed services	1,312,830	914,770
Professional services	<u>1,619,392</u>	<u>-</u>
	<u><b>8,676,984</b></u>	<u><b>3,486,654</b></u>

**ENSEK HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
for the year ended 31 March 2019

**4. TURNOVER - continued**

An analysis of turnover by geographical market is given below:

	Year Ended 31/3/19	Period 18/8/17 to 31/3/18
	£	£
United Kingdom	<u>8,676,984</u>	<u>3,486,654</u>
	<u><b>8,676,984</b></u>	<u><b>3,486,654</b></u>

**5. EMPLOYEES AND DIRECTORS**

The average number of employees, including directors, during the year was 106 (2018 - 71).

Staff costs, including director's remuneration, were as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	£	£	£	£
Wages and salaries	<b>3,652,574</b>	2,394,171	<b>634,133</b>	284,395
Social security costs	<b>372,733</b>	253,677	<b>76,097</b>	33,975
Cost of defined benefit contribution scheme	<b>95,786</b>	50,581	<b>29,239</b>	9,551
	<u><b>4,121,093</b></u>	<u><b>2,698,429</b></u>	<u><b>739,469</b></u>	<u><b>327,921</b></u>

	<b>Group and company</b>	
	<b>2019</b>	<b>2018</b>
	£	£
Director's remuneration	<b>634,133</b>	284,395
Pension contributions to defined contribution pension schemes	<b>29,239</b>	9,551
	<u><b>663,372</b></u>	<u><b>293,946</b></u>

During the period retirement benefits were accruing to 5 (2018: 6) directors in respect of defined contribution pension schemes.

The highest paid director received remuneration of £124,625 (2018: £61,104).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,665 (2018: £3,065).

There are no additional key management personnel.

**ENSEK HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
for the year ended 31 March 2019

**6. OPERATING (LOSS)/PROFIT**

The operating loss (2018 - operating profit) is stated after charging:

	<b>Year Ended 31/3/19</b>	<b>Period 18/8/17 to 31/3/18 as restated</b>
	<b>£</b>	<b>£</b>
Other operating leases	<b>114,752</b>	81,017
Depreciation - owned assets	<b>101,994</b>	104,422
Loss on disposal of fixed assets	-	6,376
Goodwill amortisation	<b>1,258,607</b>	629,164
Development costs amortisation	<b>1,068,026</b>	608,201
Foreign exchange differences	<b>6,937</b>	-
	<u><b>1,449,316</b></u>	<u><b>1,339,180</b></u>

**7. AUDITORS' REMUNERATION**

	<b>2019 £</b>	<b>2018 £</b>
Fees payable to the company's auditor for the audit of the company's annual financial statements	<u><b>15,500</b></u>	<u><b>17,000</b></u>
<b>Fee's payable to the company's auditor in respect of:</b>		
Taxation compliance services	-	3,000
Other services relating to taxation	<b>12,000</b>	5,000
Other non-audit services	<u><b>5,000</b></u>	-
	<u><b>17,000</b></u>	<u><b>8,000</b></u>

**8. EXCEPTIONAL ITEMS**

	<b>Year Ended 31/3/19 £</b>	<b>Period 18/8/17 to 31/3/18 £</b>
Provision for claim	<u><b>(446,800)</b></u>	<u><b>-</b></u>

**9. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>2019 £</b>	<b>2018 £</b>
Other loan interest payable	<b>861,993</b>	412,290
Hire purchase	<b>1,866</b>	1,572
	<u><b>863,859</b></u>	<u><b>413,862</b></u>

ENSEK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2019

10. TAXATION

**Analysis of the tax credit**

The tax credit on the loss for the year was as follows:

	Year Ended 31/3/19	Period 18/8/17 to 31/3/18 as restated
	£	£
Current tax:		
UK corporation tax	(327,694)	(180,457)
Adjustment to prior years	(11,713)	-
Total current tax	(339,407)	(180,457)
Deferred tax	214,748	67,661
Tax on loss	(124,659)	(112,796)

**Reconciliation of total tax credit included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31/3/19	Period 18/8/17 to 31/3/18 as restated
	£	£
Loss before tax	(1,198,366)	(378,855)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(227,690)	(71,982)
Effects of:		
Expenses not deductible for tax purposes	169,694	303,410
Depreciation in excess of capital allowances	280,470	2,464
Adjustments to tax charge in respect of previous periods	-	(38,528)
Other permanent differences	-	(86,445)
Enhanced research and development expenditure relief	(441,422)	(220,409)
Other differences leading to a decrease in the tax charge	-	(2,708)
Deferred tax not recognised expenditure	-	1,402
Research and development tax credit adjustment	101,698	-
Unutilised tax losses	22,704	-
Underprovision in prior year	(11,713)	-
Change in tax rate	(18,400)	-
Total tax credit	(124,659)	(112,796)

11. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements. The company's loss for the year was £982,469 (2018: £438,723).

**ENSEK HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
for the year ended 31 March 2019

**12. PRIOR YEAR ADJUSTMENT**

The Group has chosen to amend its accounting policy in respect of research and development and now capitalises 100% of subcontractor costs. This change of policy is believed to better reflect the requirements of FRS 102. This policy has been retrospectively applied as at 31 March 2018 and 31 March 2019 and prior year figures restated accordingly.

In the prior year financial statements the intangible assets (ie. capitalised development costs) were understated by £202,774 as at 31 March 2018, and profit for the year ended 31 March 2018 was understated by £202,774.

**13. INTANGIBLE FIXED ASSETS**

**Group**

	<b>Goodwill</b>	<b>Development</b>	<b>Totals</b>
	<b>£</b>	<b>costs</b>	<b>£</b>
		<b>£</b>	
<b>COST</b>			
At 1 April 2018 (as restated)	12,586,071	2,721,181	15,307,252
Additions	-	2,067,276	2,067,276
At 31 March 2019	12,586,071	4,788,457	17,374,528
<b>AMORTISATION</b>			
At 1 April 2018 (as restated)	629,164	1,242,248	1,871,412
Amortisation for year	1,258,607	1,068,026	2,326,633
At 31 March 2019	1,887,771	2,310,274	4,198,045
<b>NET BOOK VALUE</b>			
At 31 March 2019	10,698,300	2,478,183	13,176,483
At 31 March 2018 (as restated)	11,956,907	1,478,933	13,435,840

The directors have considered any requirement for impairment in line with the group's accounting policy on page 18, and have concluded that no impairment is required based on their opinion of the value of the business, which is based on external indicators of fair value.

**14. TANGIBLE FIXED ASSETS**

**Group**

	<b>Short</b>			
	<b>leasehold</b>			
	<b>land &amp;</b>	<b>Motor</b>	<b>Computer</b>	<b>Totals</b>
	<b>buildings</b>	<b>vehicles</b>	<b>equipment</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>	
<b>COST</b>				
At 1 April 2018	262,055	83,080	123,230	468,365
Additions	20,480	-	101,284	121,764
At 31 March 2019	282,535	83,080	224,514	590,129
<b>DEPRECIATION</b>				
At 1 April 2018	118,457	25,962	40,727	185,146
Charge for year	51,493	13,090	37,411	101,994
At 31 March 2019	169,950	39,052	78,138	287,140
<b>NET BOOK VALUE</b>				
At 31 March 2019	112,585	44,028	146,376	302,989
At 31 March 2018	143,598	57,118	82,503	283,219

**ENSEK HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
for the year ended 31 March 2019

**14. TANGIBLE FIXED ASSETS - continued**

**Group**

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	<b>Motor vehicles £</b>
<b>COST</b>	
At 1 April 2018	<u>83,080</u>
At 31 March 2019	<u>83,080</u>
<b>DEPRECIATION</b>	
At 1 April 2018	25,962
Charge for year	<u>13,090</u>
At 31 March 2019	<u>39,052</u>
<b>NET BOOK VALUE</b>	
At 31 March 2019	<u><u>44,028</u></u>
At 31 March 2018	<u><u>57,118</u></u>

**15. FIXED ASSET INVESTMENTS**

**Company**

	<b>Shares in group undertakings £</b>
<b>COST</b>	
At 1 April 2018 and 31 March 2019	<u>15,025,164</u>
<b>NET BOOK VALUE</b>	
At 31 March 2019	<u><u>15,025,164</u></u>
At 31 March 2018	<u><u>15,025,164</u></u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiaries**

**Ensek Ltd**

Registered office: Watercourt, 116-118 Canal Street, Nottingham, England, NG1 7HF  
Nature of business: IT software and consultancy services

	%		
Class of shares:	holding		
Ordinary	100.00		
		<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
Aggregate capital and reserves		<b>4,376,447</b>	3,208,922
Profit for the year/period		<u><b>1,167,525</b></u>	<u>1,643,529</u>



**ENSEK HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
for the year ended 31 March 2019

**15. FIXED ASSET INVESTMENTS - continued**

**Intelligen Limited**

Registered office: Watercourt, 116-118 Canal Street, Nottingham, England, NG1 7HF

Nature of business: IT consultancy services

Class of shares:	% holding		
Ordinary	100.00		
		<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
Aggregate capital and reserves		<b>31,843</b>	31,999
(Loss)/profit for the year/period		<b>(156)</b>	<u>14,856</u>

**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	1,894,277	1,487,304	-	-
Amounts owed by group undertakings	-	-	161,076	553,741
Other debtors	348,019	294,563	124	-
Prepayments and accrued income	<u>201,703</u>	<u>283,924</u>	<u>6,016</u>	<u>5,320</u>
	<u><b>2,443,999</b></u>	<u><b>2,065,791</b></u>	<u><b>167,216</b></u>	<u><b>559,061</b></u>

**17. CASH AT BANK AND IN HAND**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>1,794,247</u>	<u>1,856,458</u>
	<u><b>1,794,247</b></u>	<u><b>1,856,458</b></u>

**18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Hire purchase contracts (see note 21)	11,769	10,879	-	-
Trade creditors	292,745	351,431	10,134	69,719
Tax	-	1,564	-	-
Social security and other taxes	355,384	412,874	65,957	64,609
Other creditors	11,639	9,360	4,585	1,578
Accruals and deferred income	<u>1,176,496</u>	<u>1,392,167</u>	<u>267,789</u>	<u>453,405</u>
	<u><b>1,848,033</b></u>	<u><b>2,178,275</b></u>	<u><b>348,465</b></u>	<u><b>589,311</b></u>

ENSEK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2019

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Other loans (see note 20)	11,224,140	10,392,670	11,224,140	10,392,670
Hire purchase contracts (see note 21)	32,368	45,027	-	-
	<u>11,256,508</u>	<u>10,437,697</u>	<u>11,224,140</u>	<u>10,392,670</u>

20. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due between two and five years:				
Other loans - 2-5 years	<u>11,224,140</u>	<u>10,392,670</u>	<u>11,224,140</u>	<u>10,392,670</u>

Interest on the loan notes (included as other loans) is charged quarterly at a rate of 8% per annum.

21. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group		Hire purchase contracts	
		2019	2018
		£	£
Net obligations repayable:			
Within one year		11,769	10,879
Between one and five years		<u>32,368</u>	<u>45,027</u>
		<u>44,137</u>	<u>55,906</u>

Group		Non-cancellable operating leases	
		2019	2018
		£	£
Within one year		99,576	99,576
Between one and five years		397,488	398,065
In more than five years		<u>231,000</u>	<u>321,750</u>
		<u>728,064</u>	<u>819,391</u>

ENSEK HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2019

22. FINANCIAL INSTRUMENTS

	2019	2018
	£	£
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u>3,980,556</u>	<u>3,638,325</u>
	<u>3,980,556</u>	<u>3,638,325</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(11,949,361)</u>	<u>(11,222,241)</u>
	<u>(11,949,361)</u>	<u>(11,222,241)</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors and cash and cash equivalents.

Financial liabilities measured at amortised cost comprise HP creditors, trade creditors, social security and other taxes, other creditors and other loans.

23. PROVISIONS FOR LIABILITIES

	2019	Group 2018
	£	£
Deferred tax	<u>465,176</u>	<u>250,428</u>
Other provisions	<u>446,800</u>	<u>-</u>
Aggregate amounts	<u>911,976</u>	<u>250,428</u>
<b>Group</b>		
		<b>Deferred tax</b>
		<b>£</b>
Balance at 1 April 2018		<u>250,428</u>
Charge to Statement of Comprehensive Income during year		<u>214,748</u>
Balance at 31 March 2019		<u>465,176</u>

**At end of year**

The provision for deferred taxation is made up as follows:

	2019	2018
	£	£
Accelerated capital and R&D allowances	(468,078)	(258,480)
Tax losses carried forward	1,364	1,364
Short term timing differences	<u>1,538</u>	<u>6,688</u>
	<u>(465,176)</u>	<u>(250,428)</u>

**ENSEK HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the year ended 31 March 2019**

**24. CALLED UP SHARE CAPITAL**

	2019	2018
	£	£
<b>Allotted, called up and fully paid</b>		
78,408 A1 shares of £0.10 each	7,841	7,841
8,712 A2 shares of £0.10 each	871	871
51,476 B1 shares of £0.10 each	5,148	5,148
1,921 B2 shares of £0.01 each	19	19
25,228 C1 shares of £0.10 each	2,523	2,523
8,086 C2 shares of £0.50 each	4,043	4,043
8,750 C3 shares of £0.50 each	4,375	4,375
172 C4 shares of £0.01 each	2	2
4,000 C5 shares of £0.01 each	40	40
Total	<u>24,862</u>	<u>24,862</u>

**25. RESERVES**

**Share premium account**

The share premium account includes any premiums received on issue of share capital.

**Retained earnings account**

The retained earnings account comprises all current and prior period retained profits and losses, less dividends declared and paid.

**26. PENSION COMMITMENTS**

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £95,786 (2018 - £36,090). Contributions totalling £20,519 (2018 - £2,500) were payable to the fund at the balance sheet date and are included in creditors.

**27. RELATED PARTY DISCLOSURES**

The Group has taken advantage of the exemption contained in Financial Reporting Standard 102 and has therefore not disclosed transactions or balances with entities which form part of the group.

During the year ended 31 March 2018, loan notes of £10,392,670 were issued to shareholders of ENSEK Holdings Limited. Interest of £412,290 was charged to the profit and loss account in the year ended 31 March 2018. At 31 March 2018, the balance on the loan note creditor was £10,392,670 and £412,290 was included in accruals in respect of loan note interest.

During the year ended 31 March 2019, the £412,290 of interest accrued at 31 March 2018 has been rolled up into the loan note creditor balance. Interest of £861,993 has been charged to the profit and loss account in the year, of which £224,039 has been accrued for, £218,774 has been paid out to loan note holders, and £419,180 has been rolled up into the loan note creditor balance. At 31 March 2019, the balance on the loan note creditor was £11,224,140 and £224,039 was included in accruals in respect of loan note interest.

**28. ULTIMATE CONTROLLING PARTY**

In the opinion of the directors, there is no ultimate controlling party in the current and prior year.