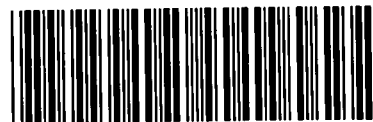


COMPANY REGISTRATION NUMBER: 04847763

**Utilita Group Limited**  
**Financial Statements**  
**For the year ended**  
**31 March 2022**



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# Utilita Group Limited

## Financial Statements

Year ended 31 March 2022

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# Utilita Group Limited

## Officers and Professional Advisers

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### The board of directors

D.A. Lickorish MBE  
W.N. Bullen  
M.D.E. Smith

### Company secretary

M.D.E. Smith

### Registered office

Hutwood Court  
Bournemouth Road  
Chandler's Ford  
Eastleigh  
SO53 3QB

### Auditor

CLA Evelyn Partners Limited  
Chartered accountants & statutory auditor  
4th Floor Cumberland House  
15-17 Cumberland Place  
Southampton  
SO15 2BG

# Utilita Group Limited

## Strategic Report

Year ended 31 March 2022

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### Principal activity

The principal activity of the company during the year was acting as a holding company. The principal activity of the group was the supply of energy. We specialise in supplying gas and electricity to residential customers in GB.

### Business review

The year has seen the most dramatic events the energy industry has seen in a generation, over 30 energy supply companies have exited the market (usually at considerable cost to customers via the Supplier of Last Resort (SoLR) levy), energy wholesale spot prices have increased by over 300%, (for electricity the increase was around 250% and for gas around 450%) between March 2021 and March 2022, and retail prices, governed under the Default Tariff Cap (Ofgem's price controls) increased by 13% over the same period.

Since March 2022 energy wholesale prices have risen further and the expected annual price to be paid by our customers at medium consumption levels is likely to exceed £3,200 per annum from 01 October 2022, up from £1,277 per annum up to 31 March 2022, this is now being capped by HM Government at £2,500 for the average dual fuel customer.

Customer switching virtually ceased from September 2021, and the group experienced a small fall in customer numbers since that date. Utilita Energy Limited has a policy of hedging for all of its customer energy requirements in advance, so that when the very high wholesale energy spot prices were encountered over the winter 2021-22 very little of the energy required had to be purchased at these high prices. In fact, mainly due to lower than expected customer numbers and a mild March, our hedge position was long and we were therefore able to sell excess energy into the market at a significant profit.

Included in turnover, as part of sales of energy back to the market, is an amount of £60.6m and included in cost of sales is an amount of £21.0m, being the cost of buying that energy.

This net £39.6m represents an exceptional gain from hedging energy. Energy was hedged for the winter 2021-22 based on expected customer numbers at expected consumption. When energy delivered to customers was less than had been forward purchased Utilita Energy Limited sold the excess back to the market at a price significantly higher than the price agreed at the time of agreeing to purchase that energy.

This exceptional gain was a result of following the company's prudent hedging policy and was not a result of speculative trading, nor did it result from additional charges to customers.

The core business to retail customers incurred a loss of £17.7m. The Default Tariff Cap and customers inability to pay were significant factors in this retail loss.

The directors report that the turnover of the group has increased by 26% to over £1bn (2021 decrease 5% to £816m). The number of supply points that energy is supplied to has increased by 3% (2021 2%). An increase in turnover is predicted for the year 2022-23, however, due to market conditions (lack of switching in the market) it is expected that customer numbers and supply points will remain static. The company has, however, still grown with the net addition of 27k (2021 18k) customers, and 47k (2021 32k) energy supply points, during the year bringing the total customer base to 820k (2021 793k) and 1,453k (2021 1,406k) energy supply points. The company remains in the top 10 largest energy suppliers in GB and one of the largest prepayment meter energy suppliers. Some 89% of Utilita's customers are prepayment, 89% smart installed, and over 60% of our customers have regularly used the My Utilita app.

The turmoil in the energy sector has led to extra demands being placed on the resources of the group. The wholesale energy purchasing agreement with our major supplier has enabled the company to hedge all of its future energy requirements and has provided support in these turbulent times.

# Utilita Group Limited

## Strategic Report *(continued)*

### Year ended 31 March 2022

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The group has made a profit before tax in the current year of £21.9m (2021 loss £5.3m). However, as mentioned above this was made up of a £39.6m profit on the sale of excess energy hedges and a loss of £17.7m in the core business. The onerous safeguard tariff cap and bad debt continue to be the main reasons for the losses of the retail business. Due to the way the Default Tariff Cap is calculated it is expected that the group will be profitable in 2022/23.

The group is operating in a regulated market with price caps imposed by the regulator, Ofgem. The cap set for prepayment customers remains at a level that makes it difficult for even an efficient energy supplier such as Utilita to be profitable. There is a significant amount of cross subsidisation inherent in the cap where DD customers subsidise PPM customers, due to the low level of DD customers Utilita Energy Limited is negatively impacted by this. The methodology of the prepayment meter cap is being continually changed by the regulator, further revisions to the methodology are planned by Ofgem, the impact of which is difficult to determine at this time.

The group has continued to install smart prepayment meters at its customers' homes, 89% (2021 88%) of our customers now have such a meter. This is the highest penetration of smart meters of all suppliers. The percentage is affected by new customers having to have an installation and customers leaving after their meter has been installed. Prepayment customers have a relatively high cost to serve compared to a Direct Debit (DD) customer, this is mitigated by installing a smart meter. We also continue to drive efficiencies in the business operations and cash collection through the use of technology, self-service and process improvements.

#### Principal risks and uncertainties

##### Market risk:

The GB retail energy market remains dominated by a small number of large suppliers, although independent suppliers now make up a larger proportion of the total than historically. Utilita has based its strategy on being a niche supplier to the prepayment segment of the market. This segment is poorly served by the large energy suppliers mainly due to a high cost to serve. During the year there has been some enforced consolidation with over 30 retail energy suppliers exiting the market, with their customers being picked up by other energy supply companies via the SoLR process.

The group operates under a Default Tariff Cap (or 'price cap') set by Ofgem. This price cap is reviewed by Ofgem bi-annually (this is quarterly from October 2022). However, the base assumptions on costs do not reflect the reality of the actual costs incurred. Separate price caps were introduced on both Direct-Debit (DD) and Standard Variable tariffs (SVT), and cross subsidisation from Credit to PPM means that Credit only suppliers receive a significant benefit that Utilita Energy Limited does not. Further changes to the methodology of the caps are planned by Ofgem. Switching rates in the prepayment sector have fallen since the introduction of the safeguard tariff cap.

Industry databases enable competitors to target Smart Meter Installed customers and the activity of these competitors has a large impact on the churn of customers and the costs of that churn.

Since the energy price increases seen in autumn 2021 switching rates across the industry have fallen to almost none.

# Utilita Group Limited

## Strategic Report *(continued)*

### Year ended 31 March 2022

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#### Technical risk:

As the group operates in an industry using sophisticated technology; there is a risk of technical issues related to utility meters used in the field, and from increased risk of regulatory intervention, which the group faces. New demands from the regulator placed on the group continue to need to be incorporated into systems and procedures. The ongoing introduction of SMETS2 meters will require further system changes. With SMETS2 prepayment functionality currently inferior to that available and in use in SMETS1 we continue to seek improvements in this respect. The business requires appropriate planning horizons and timescales to make major change in order to keep costs to customers down. HM Government's apparent strategy of drip-feeding delays adds costs to the programme.

The group has had to invest in its technology platform, to cover such industry initiatives as SMETS2, Faster Switching and Enrolment and Adoption. Capability for these has been delivered both during the year and after the year end.

#### Currency risk:

The group is not significantly exposed to foreign currencies. All transactions are incurred in the functional currency, Sterling. However, GB energy prices have a significant link to the world price of oil, which is denominated in US Dollars.

#### Industry risk:

The group is exposed to many industry related risks that are outside its control. The GB retail energy market is dominated by the large energy suppliers and many industry practices are weighted in their favour. It is very difficult for a small independent supplier to influence practices and procedures where such practices benefit the larger suppliers. Over 30 energy supply companies have ceased trading over the year. The mutualisation of certain costs of failed suppliers means that Utilita has to meet more than its fair share of these costs.

#### Wholesale energy market risk:

The group operates in the GB energy retail market and purchases its energy in the GB wholesale markets. The group fixes the prices to its customers until notifying a change and sources the energy from the wholesale market at the prevailing prices. This price change is usually linked to changes in the price cap, which from 01 October 2022 is quarterly. Due to the volatility in the market, there remains a price risk in the energy retailing market. However, the group forward purchases wholesale energy, in accordance with a board level agreed hedging policy, to reduce the price risk. This hedging strategy aims to reduce risk but can not mitigate risk entirely.

#### Liquidity risk:

The group is continually looking for growth, its market share and its addressable market are expanding, levels of liquidity requirements in the energy supply industry are constantly being squeezed and hence the group faces liquidity risk. Future initiatives by Ofgem include the early payment of renewables obligation and ring-fencing of customer credit balances. Both of these will require capital to be retained in the business. However, cash flows are strong, and these risks are being efficiently managed. Industry regulations require us to have substantial levels of credit cover in place to cover future purchases but daily fluctuations in liabilities can still result in significant cash calls having to be paid out or cash deposits having to be placed. The wholesale energy purchasing agreement has reduced the group's exposure to liquidity risk by removing the requirement to place collateral for energy purchases.

# Utilita Group Limited

## Strategic Report *(continued)*

Year ended 31 March 2022

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### Political and regulatory risk:

Energy remains an important political issue and this exposes the business to higher regulatory risk than would be the normal for any other retail market. The price cap methodologies are changed regularly. These interventions reduce the competitiveness of the market. It is expected that political intervention risk will continue for the foreseeable future.

Ofgem and BEIS are continually reviewing the energy supply industry and rules change regularly. Licence conditions are amended and added to every year. Some of these changes will impact profitability, compliance costs are rising. All aspects of the industry and in particular supplier resilience are being investigated which may lead to further requirements on capital and operating procedures.

The Russian war with Ukraine is adding further uncertainty and risk to the business. Europe is heavily dependent on Russian gas and controls on the quantity of gas flowing into western Europe could have large impacts on price paid for energy.

### Credit risk:

The company's credit customers are a credit risk to the business, i.e. the risk that a customer does not pay for the energy used. System changes and smart meter installation are reducing the impact of this risk.

### Section 172

In performing their duties, the directors have a duty to promote the success of the company for the benefit of shareholders as a whole, having regard to a number of broader matters which are detailed in section 172 of the UK Companies Act 2006 and which can be summarised as follows:

A director of a company must act in the way they consider, in good faith, would be the most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so, have regard (amongst other matters) to:

- the likely consequences of any decisions in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between shareholders of the company.

The Board seeks to understand the respective interests of such stakeholder groups so that these may be properly considered in the Board's decisions. We do this through various methods, including: direct engagement by Board members; receiving reports and updates from members of management who engage with such groups; and coverage in our Board papers of relevant stakeholder interests with regard to proposed courses of action.

Utilita has redefined its mission statement and the three core values that it operates under, these underlie our approach to all dealings with stakeholders.

Our Mission is **empowering everyone with fair and flexible services that are good for the pocket and planet.**

We've weathered many storms over the last few years and we're still here, standing strong. The challenges we've faced have inspired us to transform our business for the better - and we're not stopping now!

Our Mission statement expresses the company we are today and our ambitions for the future.

# Utilita Group Limited

## Strategic Report *(continued)*

### Year ended 31 March 2022

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Our company Values not only shape our company culture, helping us to make decisions, they're also a part of how we develop and reward people too.

When deciding on our Values, it was important that we remember where we've come from. That's why we've selected Values that we believe represent the foundations of our brand and reinforce our sustainability goals. The Values are:

We put **Fairness** first:

We set out to do things differently, support those who need it most and treat everyone equally - and that hasn't changed. In every decision, we ask ourselves 'what's the right thing to do?'.

Whether it's our customers or business, we listen to what people need, respect what they have to say and make sure we deliver on our promises.

By taking care of everyone, we aim to earn their trust, and keep it.

We believe in **Smart**:

Being smart is in our DNA. As one of the first companies to kick start Britain's smart meter revolution, we understand the value that technology can bring to people's lives.

Our passion for tech means we're always evolving and searching for ways to improve our services through innovation.

We're not afraid to be bold either. Our technology (and smart roots) are helping us transform the world around us for the better.

We strive for **Sustainability**:

Sustainability has more than one meaning for our business.

We will be a Net Zero business by 2030. We recognise this is an ambitious target, but one we'll achieve by continuing to drive transformational changes to make a significant dent in global carbon emissions.

Our unique approach includes educating everyone on how small changes can have a big impact.

It also means making decisions that ensure our stability and resilience.

#### **Our stakeholders**

The directors consider that the following are the Company's key stakeholders.

- Our employees - the company aims to treat all its employees fairly. Utilita Energy Limited is a Living Wage Foundation Employer and we follow the principles of that across all Group companies. Our staff recognition scheme - Super6 - is our opportunity to acknowledge the effort and hard work that our colleagues from every corner of the business put in.
- Our shareholders - Utilita Group Limited is a wholly owned subsidiary of Utilita Group Limited and consequently there is considerable dialogue with that company. Utilita Group Limited prepares a quarterly statement for its shareholders and copies them in on the circulation of the in-house magazine U-Mag. An annual face-to-face meeting is held.
- Our customers - we maintain our prices as low as we are able while having consideration of the various price caps in place. Customer engagement is maintained throughout the year with email, text and letter communications. We aim to offer the best customer features for prepayment supplies, including Power-up, Jackpot and our award-winning app.



# Utilita Group Limited

## Strategic Report *(continued)*

### Year ended 31 March 2022

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- Our suppliers - we aim to treat suppliers fairly and always aim to always pay our liabilities within agreed payment terms, on time and in full.
- Our regulator - Utilita Group Limited is regulated by Ofgem as a supplier of energy in GB. We aim to respond to all queries from the regulator in the specified time scales. Any regulatory compliance discussions are carried out as openly as possible. Fortnightly meetings are held with our Ofgem Account Manager.
- Our community and the environment we operate in - we aim to respect our local communities and the environment. We have opened a number of local Hubs where communities are able to interact with our staff and have use of a community room. Our Hub staff are also involved with their local community in terms of charity activities and other community involvement. All employees are encouraged to donate work time to voluntary activities. In January 2021 Utilita announced that it would be carbon net-zero by 2030. In January 2022 Utilita Giving was formed, this is currently registering with the Charity Commission and is aimed to be a repository for the group's charitable activities.

#### **Business relationships**

The Board engages with a variety of stakeholders, including customers, regulators, and suppliers, to inform and enable balanced decisions that incorporate multiple viewpoints, whilst maintaining the Company's Strategy. In making decisions the Board considers outcomes from engagements with stakeholders as well as the importance of maintaining the Company's integrity, brand and reputation.

Examples of the engagement with stakeholders during 2021-22 include:

- Quarterly statements to shareholders and annual face to face meeting
- Regular communications with employees including monthly U-Mag, weekly "Ask the Bosses" sessions, weekly "Bill Bulletin". Since Covid-19 lockdown measures almost all interactions have been on-line. MS Teams has been rolled out to all staff, "Coffee Morning" sessions and regular Team meetings are held
- Key suppliers have regular "catch-up" sessions
- Fortnightly meeting with Ofgem Account Manager

#### **Covid-19**

The coronavirus, Covid-19, has been with us since March 2020. Utilita Energy Limited's response has been to bring its policies and procedures in relation to Covid-19 into as much "business as usual" as possible. There is reduced occupancy of our offices and a continued hybrid working model across all teams.

# Utilita Group Limited

## Strategic Report *(continued)*

### Year ended 31 March 2022

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#### Events since the balance sheet date

The continued increase in the spot and forward prices of energy, and the potential for retail energy suppliers to fail and enter the Supplier of Last Resort (SoLR) process is still leading to uncertainty.

Utilita Energy Limited has forward hedged 100% of its energy requirements for the price cap periods October 2022 to March 2023 and locked in costs for that period at a level consistent with the price cap. Utilita Energy Limited is still exposed to balancing and shaping costs and to weather related changes in demand. The increase to the costs of wholesale energy is causing annual energy costs to be at significantly higher levels than ever seen before. These high prices will see customer self-disconnection and default on payments.

From 01 October 2022 HM Government has provided additional support to retail energy customers via three schemes:

- Energy Bills Support Scheme (EBSS) where all domestic customers will receive £400 over the period October 2022 to March 2023;
- Energy Price Guarantee (EPG) where the average consumption domestic customer will see their annual cost limited to £2,500 from October 2022 and £3,000 from April 2023, this support is due to end in March 2024; and
- Energy Bills Relief Scheme (EBRS) where commercial customers receive support against their ongoing consumption.

Both EBSS and EPG will cushion our customers from the high prices that they would otherwise have experienced.

In May 2022 Utilita Group Limited acquired Gilmond Consulting Limited (now called Procode Technology Limited) to complement the IT estate and in November 2022 acquired Canary Care Global Limited to assist in the expansion of the group's services into the care sector.

#### Key performance indicators

Turnover:

Turnover as compared to last year has increased by 26%.

Customer acquisition:

The number of energy supply points at 31 March 2022 as compared to last year has increased by 3%.

In addition management consider a wide range of commercially sensitive measures of performance in a weekly Management Information Pack, these include, churn, gross sales, customer experience, etc.

20/12/2022

This report was approved by the board of directors on ..... and signed on behalf of the board by:



Mike Smith (Dec 20, 2022 12:52 GMT)

M.D.E. Smith  
Company Secretary

Registered office:  
Hutwood Court  
Bournemouth Road  
Chandler's Ford  
Eastleigh  
SO53 3QB

# Utilita Group Limited

## Directors' Report

### Year ended 31 March 2022

The directors present their report and the financial statements of the group for the year ended 31 March 2022.

#### Directors

The directors who served the company during the year were as follows:

D.A. Lickorish MBE  
W.N. Bullen  
M.D.E. Smith

#### Dividends

The directors do not recommend the payment of a dividend.

#### Greenhouse gas emissions and energy consumption

	Unit	2022	2021
Emissions resulting from activities for which the group is responsible	tCO <sub>2</sub> e	36	133
Emissions resulting from the purchase of energy by the group for its own use	tCO <sub>2</sub> e	495	455
Emissions resulting from the purchase of energy by the group for use by its customers	tCO <sub>2</sub> e	2,288,777	1,932,390
Total emissions	tCO <sub>2</sub> e	2,289,308	1,932,978
Total energy consumption	MWh	9,396,296	9,454,071
Intensity metric	tCO <sub>2</sub> e/MWh	0.24	0.20

#### Methodologies for energy and emissions calculations

The figures quoted are for the Utilita Group as a whole, separate calculations for Utilita Group Limited have not been prepared.

The emissions reported in this SECR statement are calculated as part of Utilita's annual carbon footprint reporting procedures. All emissions reported were calculated by multiplying activity data by the relevant emission factor, sourced from BEIS Greenhouse Gas Reporting Conversion Factors 2021, Full Set. Where possible actual activity data was used. In the case of emissions from scope 3 electricity, all activity data was actual due to Utilita having a large proportion of customers with smart meters installed which take an energy consumption reading once every thirty minutes. Where actual activity data was not available estimations were made. Estimations only occurred in a minority proportion of scope 1 gas and scope 2 electricity.

The estimation methodology was as follows. The average staff occupancy over the course of the year (hence forth referred to as full time employee (FTE)), for each building with actual activity data was divided by the emissions resulting from the actual activity data to obtain a tCO<sub>2</sub>e/FTE. These building with actual activity data were then categorised by purpose, consisting of one of the following: office, call centre, warehouse, hub. Then a weighted average of tCO<sub>2</sub>e/FTE for each building purpose was calculated, weighted by FTE. The buildings requiring estimations were also categorised by purpose and then the average tCO<sub>2</sub>e/FTE per building purpose type was multiplied by the FTE.

For diesel consumption only the litres of diesel used were known. For SECR reporting this needed to be converted into kWh. The conversion calculation was as follows. tCO<sub>2</sub>e from diesel consumption was divided by the relevant emission factor and further multiplied by one thousand to derive litres of diesel consumed, this was then verified against the original activity data. This litre figure was then multiplied by 10.579 to convert into kWh.

Overall Utilita's net carbon intensity increased by 5.88% in 2021-22, compared to 2020-21 levels.

# Utilita Group Limited

## Directors' Report *(continued)*

### Year ended 31 March 2022

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#### **Principal measures taken to increase energy efficiency**

Utilita retired 264,380 tCO<sub>2</sub>e of carbon offsets, applying them to the tCO<sub>2</sub>e emitted between April 2021 and March 2022. These were split across four international projects verified by the Clean Development Mechanism and Gold Standard. This represents a 12.5 times increase of expenditure on green certificates (REGOs or offsets) in 2020-21 compared to 2019-20. This increase conveys the continued commitment to our net zero carbon target. Nevertheless, the £/tCO<sub>2</sub>e of certificates in 2020-21 increased 17.6 times compared to 2019-20, resulting in a reduction of 99,884 tCO<sub>2</sub>e being offset in 2020-21 compared to 2019-20.

More qualitative, throughout this year Utilita's focus has been to increase awareness and action on the climate crisis across two of its stakeholders, staff, and consumers. Award winning energy efficiency consumer education campaigns have been executed and three separate staff training programmes have been launched to increase knowledge and skills across the workforce, with 100's of staff members participating. This will advance in successive years to ensure all stakeholders have the opportunity to participate in delivering Utilita's net zero carbon strategy.

Works completed include, cleaning out of all ventilation ducting in Hutwood Court to improve efficiency of ventilation systems and refurbishment work on the air handling units at Hutwood Court. Large projects in the year included closure of three sites to reduce the property and carbon footprint.

For 2022/23 EV charging points at three key sites and PV charging at Hutwood Court are being looked at. A similar consideration will be undertaken for the warehouses and for battery storage of spare energy at Hutwood Court and with wind turbine energy production opportunities being considered.

#### **Energy Policy Statement**

Utilita recognises the need to go further than the regulations. We annually report a companywide carbon footprint of our Scope 1, 2 and 3 greenhouse gas emissions. This footprint adheres to the Greenhouse Gas protocol Standard and is externally verified to a limited assurance standard using the relevant requirements of ISO 14064-3:2019. This reporting cycle enables us to monitor progress towards our target to be net zero carbon by 2030.

#### **Employment of disabled persons**

Utilita Group Limited is committed to providing equal opportunities for all employees and job applicants. We aim to create a working environment in which all individuals are able to make best use of their skills, free from discrimination or harassment, and in which all decisions are based on merit.

Striving to ensure that the work environment is free of harassment and bullying and that everyone is treated with dignity and respect is an important aspect of ensuring equal opportunities in employment.

#### **Employee involvement**

Utilita Group Limited is committed to involving and consulting employees in all aspects of the group's business. This includes the use of "U" Magazine, company-wide emails, an intranet, open access to HR staff and senior management. During the year the U-Team has been set up as a discussion forum for staff this is chaired each month by Bill Bullen, CEO.

The group's statement on Modern Slavery and its Gender Pay Gap report is available on the website, [utilita.co.uk](http://utilita.co.uk)

#### **Events after the end of the reporting period**

Particulars of events after the reporting date are detailed in note 28 to the financial statements.

#### **Disclosure of information in the strategic report**

Certain information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the strategic report.

# Utilita Group Limited

## Directors' Report *(continued)*

Year ended 31 March 2022

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### Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

CLA Evelyn Partners Limited (formerly known as Nexia Smith & Williamson) are deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

20/12/2022

This report was approved by the board of directors on ..... and signed on behalf of the board by:



Mike Smith (Dec 20, 2022 12:52 GMT)

M.D.E. Smith  
Company Secretary

Registered office:  
Hutwood Court  
Bournemouth Road  
Chandler's Ford  
Eastleigh  
SO53 3QB

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# Utilita Group Limited

## Independent Auditor's Report to the Members of Utilita Group Limited

Year ended 31 March 2022

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### Opinion

We have audited the financial statements of Utilita Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Income Statement, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the notes to the financial statements, including 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 group's and of the parent company's affairs as at 31 March 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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, 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.

### Material uncertainty related to going concern

We draw attention to note 3 in the financial statements. The directors have reviewed their cashflow forecasts which indicate that the group and parent company's ability to continue as a going concern is dependent on the availability of additional financial support being made available to the parent company's subsidiary undertaking, Utilita Energy Limited, by a major supplier. If the additional support was not available, then alternative sources of finance would be required.

As stated in note 3, these factors indicate that a material uncertainty exists that may cast significant doubt on the group and parent company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Notwithstanding the above, in auditing the financial statements we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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# **Utilita Group Limited**

## **Independent Auditor's Report to the Members of Utilita Group Limited**

**Year ended 31 March 2022**

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### **Other information**

The other information comprises the information included in the Financial Statements, 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. 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 11, 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.

# Utilita Group Limited

## Independent Auditor's Report to the Members of Utilita Group Limited

Year ended 31 March 2022

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### 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained a general understanding of the group's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations, the entity's policies and procedures regarding compliance, and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the group's industry and regulation.

We understand that the group complies with the framework through:

- Outsourcing tax compliance to external experts.
- Subscribing to relevant updates from external experts, and making changes to internal procedures and controls as necessary.
- Updating operating procedures, manuals, internal controls, systems and reporting as legal and regulatory requirements change such as changes to OFGEM rules
- Regular reporting to both the directors and senior management meaning that any instances of non-compliance with laws and regulations, litigation or claims would come to their attention directly.
- Regular visits and reporting by an accredited third party to review the controls and processes in place around the storage and security of data as well as perform penetration testing of IT systems to assess any weaknesses.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the group's ability to conduct its business, and/or where there is a risk that failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the group:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.
- Compliance with the licence conditions as a supplier of gas and electricity as regulated by the Office of Gas and Electricity Markets ("OFGEM") and in particular the requirements of the default tariff cap for the group's prepayment meter customers.
- General Data Protection Regulation (GDPR) relating to data protection and privacy for all individuals within the UK.



# Utilita Group Limited

## Independent Auditor's Report to the Members of Utilita Group Limited

Year ended 31 March 2022

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We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations identified above:

- Held discussions with individuals outside the finance function pertaining to matters of laws and regulations and compliance.
- Performed a review of the OFGEM website for any investigations during the year or post year end.
- Communication with the group's external legal counsel regarding existing litigation.
- Reviewed the results of any compliance audit reports during the year from regulators or third parties where available.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the group's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation of the financial statements, especially revenue, via fraudulent journal entries particularly focussing on revenue recognition at the year end.
- Payment of bonuses based on performance to budget, which creates an incentive for management to manipulate results.
- Bad debt provision, accruals and useful economic life of intangibles as these are estimates made by management.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Substantive testing on revenue recognition during the year and around the year end.
- Substantive work on material areas affecting profits.
- Challenging management regarding the assumptions used in the estimates identified above, and comparison to historical data, market data and post-year-end data as appropriate.
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts.

A further description of our responsibilities is available 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.

# Utilita Group Limited

## Independent Auditor's Report to the Members of Utilita Group Limited

Year ended 31 March 2022

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### Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Edmonds

Andrew Edmonds (Dec 21, 2022 10:35 GMT)

Andrew Edmonds

Senior Statutory Auditor, for and on behalf of  
**CLA Evelyn Partners Limited**  
Statutory Auditor  
Chartered Accountants  
4<sup>th</sup> Floor Cumberland House  
15-17 Cumberland Place  
Southampton  
SO15 2BG

Date: 21/12/2022

# Utilita Group Limited

## Consolidated Income Statement

Year ended 31 March 2022

	Note	2022 £000	2021 £000
<b>Turnover</b>	<b>4</b>	1,030,835	815,858
Cost of sales		922,165	740,910
<b>Gross profit</b>		108,670	74,948
Administrative expenses		87,705	83,472
Other operating income	<b>5</b>	672	3,550
<b>Operating profit/(loss)</b>	<b>6</b>	21,637	(4,974)
Other interest receivable and similar income	<b>11</b>	473	649
Interest payable and similar expenses	<b>12</b>	235	967
<b>Profit/(loss) before taxation</b>		21,875	(5,292)
Tax on profit/(loss)	<b>13</b>	3,176	(801)
<b>Profit/(loss) for the financial year</b>		18,699	(4,491)

All the activities of the group are from continuing operations.

The group has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 23 to 39 form part of these financial statements.

# Utilita Group Limited

## Consolidated Statement of Financial Position

31 March 2022

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Intangible assets	14	54,756	55,690
Tangible assets	15	8,484	6,475
		<u>63,240</u>	<u>62,165</u>
<b>Current assets</b>			
Stocks	17	23,880	20,832
Debtors	18	105,987	87,115
Cash at bank and in hand		1,470	3,685
		<u>131,337</u>	<u>111,632</u>
<b>Creditors: amounts falling due within one year</b>	19	<u>194,216</u>	<u>192,286</u>
<b>Net current liabilities</b>		<u>(62,879)</u>	<u>(80,654)</u>
<b>Total assets less current liabilities</b>		<u>361</u>	<u>(18,489)</u>
<b>Provisions</b>			
Deferred taxation	20	10	8
Other provisions	20	650	501
		<u>660</u>	<u>509</u>
<b>Net liabilities</b>		<u>(299)</u>	<u>(18,998)</u>
<b>Capital and reserves</b>			
Called up share capital	23	16	16
Share premium account	24	1,975	1,975
Capital redemption reserve	24	29	29
Other reserves	24	800	800
Profit and loss account	24	(3,119)	(21,818)
<b>Shareholders deficit</b>		<u>(299)</u>	<u>(18,998)</u>

These financial statements were approved by the board of directors and authorised for issue on 20/12/2022....., and are signed on behalf of the board by:

*W Bullen*

W Bullen (Dec 20, 2022 13:35 GMT)

W.N. Bullen  
Director

Company registration number: 04847763

The notes on pages 23 to 39 form part of these financial statements.

# Utilita Group Limited

## Company Statement of Financial Position

31 March 2022

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Investments	16	8,670	11,556
<b>Current assets</b>			
Debtors	18	6,486	4,810
Cash at bank and in hand		23	12
		<u>6,509</u>	<u>4,822</u>
<b>Creditors: amounts falling due within one year</b>	19	<u>11,128</u>	<u>8,159</u>
<b>Net current liabilities</b>		<u>(4,619)</u>	<u>(3,337)</u>
<b>Total assets less current liabilities</b>		<u>4,051</u>	<u>8,219</u>
<b>Net assets</b>		<u>4,051</u>	<u>8,219</u>
<b>Capital and reserves</b>			
Called up share capital	23	16	16
Share premium account	24	1,975	1,975
Capital redemption reserve	24	29	29
Other reserves	24	800	800
Profit and loss account	24	1,231	5,399
<b>Shareholders funds</b>		<u>4,051</u>	<u>8,219</u>

The loss for the financial year of the parent company was £4,168,000 (2021: £474,000 profit).

These financial statements were approved by the board of directors and authorised for issue on 20/12/2022....., and are signed on behalf of the board by:

W Bullen  
W Bullen (Dec 20, 2022 13:35 GMT)

W.N. Bullen  
Director

Company registration number: 04847763

The notes on pages 23 to 39 form part of these financial statements.

# Utilita Group Limited

## Consolidated Statement of Changes in Equity

Year ended 31 March 2022

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Share option reserve £000	Profit and loss account £000	Total £000
<b>At 1 April 2020</b>	16	1,969	29	800	(17,327)	(14,513)
Loss for the year	—	—	—	—	(4,491)	(4,491)
<b>Total comprehensive loss for the year</b>	—	—	—	—	(4,491)	(4,491)
Issue of shares	—	6	—	—	—	6
<b>Total investments by and distributions to owners</b>	—	6	—	—	—	6
<b>At 31 March 2021</b>	16	1,975	29	800	(21,818)	(18,998)
Profit for the year	—	—	—	—	18,699	18,699
<b>Total comprehensive income for the year</b>	—	—	—	—	18,699	18,699
<b>At 31 March 2022</b>	<u>16</u>	<u>1,975</u>	<u>29</u>	<u>800</u>	<u>(3,119)</u>	<u>(299)</u>

The notes on pages 23 to 39 form part of these financial statements.

# Utilita Group Limited

## Company Statement of Changes in Equity

Year ended 31 March 2022

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Share option reserve £000	Profit and loss account £000	Total £000
<b>At 1 April 2020</b>	16	1,969	29	800	4,925	7,739
Profit for the year	—	—	—	—	474	474
<b>Total comprehensive income for the year</b>	—	—	—	—	474	474
Issue of shares	—	6	—	—	—	6
<b>Total investments by and distributions to owners</b>	—	6	—	—	—	6
<b>At 31 March 2021</b>	16	1,975	29	800	5,399	8,219
Loss for the year	—	—	—	—	(4,168)	(4,168)
<b>Total comprehensive loss for the year</b>	—	—	—	—	(4,168)	(4,168)
<b>At 31 March 2022</b>	<u>16</u>	<u>1,975</u>	<u>29</u>	<u>800</u>	<u>1,231</u>	<u>4,051</u>

The notes on pages 23 to 39 form part of these financial statements.

# Utilita Group Limited

## Consolidated Statement of Cash Flows

Year ended 31 March 2022

	2022 £000	2021 £000
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	18,699	(4,491)
<i>Adjustments for:</i>		
Depreciation of tangible assets	3,044	2,314
Amortisation of intangible assets	20,001	18,873
Impairment of intangible assets	1,380	—
Other interest receivable and similar income	(473)	(649)
Interest payable and similar expenses	85	817
Loss on disposal of tangible assets	306	—
Loss on disposal of intangible assets	5,962	10,610
Tax on (loss)/profit	3,176	(801)
<i>Changes in:</i>		
Stocks	(3,048)	(13,606)
Trade and other debtors	(19,998)	13,235
Trade and other creditors	446	3,798
Provisions and employee benefits	149	501
Cash generated from operations	29,729	30,601
Interest paid	(85)	(817)
Interest received	473	649
Tax (paid)/received	(564)	27
Net cash from operating activities	<u>29,553</u>	<u>30,460</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(5,359)	(1,423)
Purchase of intangible assets	(26,409)	(27,039)
Net cash used in investing activities	<u>(31,768)</u>	<u>(28,462)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares	—	6
Net cash from financing activities	<u>—</u>	<u>6</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,215)</b>	<b>2,004</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>3,685</b>	<b>1,681</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>1,470</u></b>	<b><u>3,685</u></b>

The notes on pages 23 to 39 form part of these financial statements.



# Utilita Group Limited

## Notes to the Financial Statements

Year ended 31 March 2022

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### 1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Hutwood Court, Bournemouth Road, Chandler's Ford, Eastleigh, SO53 3QB.

### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 3. Accounting policies

#### Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### Going concern

The group has made a profit after tax of £18,699k (2021 £4,491k) but has net current liabilities of £62,879k (2021 £80,654k). The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

The Group meets its day to day working capital requirements through its own cash resources and support from a major supplier ("the Supplier") of Utilita Energy Limited. The nature of the Group's business is such that there can be considerable variation in the timing of cash inflows throughout the year. The directors have prepared detailed projected cash flow information for the Group for the period to 31 March 2024, which includes cashflows for the company and the going concern position is dependent on the group covering those cashflows.

Those forecasts are dependent on the Supplier providing additional ongoing financial support to Utilita Energy Limited and that company extending the benefit of that support to Utilita Group Limited. The directors of Utilita Energy Limited and Utilita Group Limited believe that delayed payment terms with the Supplier will be made available as are needed by the Group for the period covered by the forecasts. The directors have been given no indication that the Supplier will not continue to provide this support, and the directors are reasonably confident that it is unlikely that this support would cease in the foreseeable future. However, as with any company placing reliance on other entities for financial support, the directors acknowledge that there can be no certainty that this support will continue. In the unlikely event that this support was not to continue, then the Group would need to secure alternative finance.

The group is also in technical breach of the preferred supplier agreement's Tangible Net Worth covenant. The supplier is aware of this breach, however, no notice of breach has been received nor is expected.

The directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances represent a material uncertainty that may cast significant doubt on the group's and the parent company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

# Utilita Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

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### 3. Accounting policies *(continued)*

#### Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- No cash flow statement has been presented for the company.
- Disclosures in respect of financial instruments have not been presented.

#### Consolidation

The financial statements consolidate the financial statements of Utilita Group Limited and all of its subsidiary undertakings.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual statement of comprehensive income.

#### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Forward purchases of energy - The group has entered into contracts for the purchase of energy for periods up to 24 months in the future. The directors have determined that the classification of such contracts represents commodity purchases for use within the business accounted for at cost at date of delivery and not as derivative instruments accounted for at fair value;
- Deferred tax assets - these are only recognised when it is considered more likely than not that the group will make future taxable profits against which the deferred tax asset can be utilised. The directors have assessed the future trading performance of the group and believe it is probable that the group will generate profits and therefore a deferred tax asset has been recognised; and
- Operating lease commitments - The group has entered into meter rental transactions and obtains use of plant and equipment as lessee. The classification of such leases as operating or finance lease requires the group to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.
- Capitalisation of acquisition costs and installation costs - The group considers that customer acquisition costs and installation costs that relate to the direct cost of acquiring a customer, or installing a smart meter for a customer, are of benefit to the company for the period that the customer is on supply.
- Going concern - The directors have considered the period to 31 March 2024 in detail and have formed the view that the company and the group is a going concern.

# Utilita Group Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2022

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#### 3. Accounting policies *(continued)*

##### Judgements and key sources of estimation uncertainty *(continued)*

##### Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- **Taxation** - The group establishes provisions based on reasonable estimates. The amount of such provisions is based on various factors, such as experience and the interpretation of tax regulations. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies;
- **Revenue recognition** - An estimate is made of the value of energy supplied to customers based on company specific industry settlement data and estimates of customer usage since last meter read data. The industry settlement data is the estimated quantity the industry system operator deems the individual suppliers, including the company, to have supplied;
- **Accruals and prepayments** - The company estimates the costs of goods and services received in the period where the actual liability for the period is not fully known at the year end;
- **Depreciation and amortisation** - The group has determined the estimated useful lives of its tangible and intangible assets. The life of an individual asset is based on various, technological, practical and legislative information; and
- **Impairment of trade receivables and customer balances** - Impairments against trade receivables and customer balances are recognised where the loss is probable. The directors have based their assessment of the level of impairment on collection rates experienced to date. The estimates and assumptions used to determine the level of provision will continue to be reviewed periodically and could lead to changes in the impairment provision methodology which would impact the income statement in future years.

##### Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for sales of energy and the value of services and facilities provided during the year, net of discounts and value added tax.

Revenue includes an estimate of the value of energy supplied to customers based on company specific industry settlement data and estimates of customer usage since last meter read data. The industry settlement data is the estimated quantity the industry system operator deems the individual suppliers, including the company, to have supplied.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

# Utilita Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

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### 3. Accounting policies *(continued)*

#### **Balances with customers**

Amounts recoverable from and/or repayable to customers and/or other supply companies are calculated on the basis of best expectation of amounts due to be received or repaid. This expectation is based on historic patterns of behaviour for such amounts.

Receivables, which are included in trade debtors, are made up of amounts in transit from customers plus an estimate of the balances expected to be recoverable from advances made to customers, the recoverable amount of unpaid invoices rendered and other similar amounts. Vend transactions are recorded on meters at date of vend, receipts passing through collection partners are treated as debtors from vend date to receipt in bank.

Liabilities are based on balances owed to customers for amounts received in advance of consumption, amounts due to be repaid to other supply companies or customers for amounts received in error and other refunds due to customers.

#### **Exceptional items**

Exceptional items are disclosed separately in the financial statements in order to provide further understanding of the financial performance of the entity. They are material items of income or expense that have been shown separately because of their nature or amount.

#### **Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

# Utilita Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

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### 3. Accounting policies *(continued)*

#### **Intangible assets**

##### **Acquisition costs**

Acquisition costs relate to the direct cost of acquiring a customer through the different acquisition channels used. They are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Cost is determined as costs incurred on acquiring and establishing a customer. The cost is amortised over the estimated length of time that the customer remains with the company, and is written off on loss of supply.

##### **Installation costs**

Installation costs relate to the direct cost of installing a smart utility meter at a customer's premises. They are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Cost is determined as net costs incurred on installing a smart utility meter. The cost is amortised over the estimated length of time that the customer remains with the company, and is written off on loss of supply.

##### **Development costs**

Internally developed software costs are included at cost where the future derived benefit is greater than the cost. They are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Cost includes both internal and external costs.

#### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	10 years
Acquisition costs	-	5 years
Installation costs	-	5 years
Development costs	-	5 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates. Where a supply to a customer is lost the net book value of Acquisition and Installation costs at date of loss is treated as a loss on disposal.

#### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land and buildings - short leasehold property	-	over the life of the lease
Plant and machinery	-	5 - 10 years
Equipment	-	2 - 4 years

#### **Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

# Utilita Group Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2022

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#### 3. Accounting policies *(continued)*

##### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

##### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition. Renewable obligation certificates are measured at the lower of cost and net realisable value and are recognised when contract to purchase is made.

Work in progress comprise materials and supplies to be consumed in the rendering of sales agency services. Net realisable value is the estimated selling price of those services less the applicable costs of conversion to complete the services and variable selling expenses.

##### **Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the profit or loss in the same period as the related expenditure.

##### **Financial instruments**

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the company's cash management.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

##### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

##### **Forward energy purchases**

Forward purchases of energy are classified as commodity purchases for use within the group's business and as such are accounted for at cost on day of delivery.

# Utilita Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

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### 4. Turnover

Turnover arises from:

	2022 £000	2021 £000
Sale of energy	1,025,603	812,371
Installation and maintenance	4,697	2,804
Meter rentals	114	113
Other charges	421	570
	<u>1,030,835</u>	<u>815,858</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

### 5. Other operating income

	2022 £000	2021 £000
Coronavirus Job Retention Scheme	31	3,131
Other operating income	641	419
	<u>672</u>	<u>3,550</u>

### 6. Operating profit/(loss)

Operating profit or loss is stated after charging/crediting:

	2022 £000	2021 £000
Amortisation of intangible assets	20,001	18,872
Depreciation of tangible assets	3,044	2,314
Impairment of intangible assets recognised in:		
Administrative expenses	1,380	—
Loss on disposal of tangible assets	306	—
Loss on disposal of intangible assets	5,962	10,610
Impairment of trade debtors	32,239	38,284
Foreign exchange differences	(10)	(12)
Operating leases	<u>2,433</u>	<u>2,756</u>

# Utilita Group Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2022

#### 7. Auditor's remuneration

	<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
Fees payable for the audit of the financial statements	192	168
Fees payable to the company's auditor and its associates for other services:		
Taxation compliance services	27	17
Taxation advisory services	84	–
	<u>111</u>	<u>17</u>

#### 8. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	<b>2022</b> <b>No.</b>	<b>2021</b> <b>No.</b>
Administrative staff	1,297	1,329
Management staff	10	11
Installation staff	114	44
	<u>1,421</u>	<u>1,384</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
Wages and salaries	47,912	44,775
Social security costs	4,126	3,821
Other pension costs	1,116	980
	<u>53,154</u>	<u>49,576</u>

#### 9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
Remuneration	1,057	627
Company contributions to defined contribution pension plans	50	30
	<u>1,107</u>	<u>657</u>

Remuneration of the highest paid director in respect of qualifying services:

	<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
Aggregate remuneration	491	273
Company contributions to defined contribution pension plans	28	16
	<u>519</u>	<u>289</u>



# Utilita Group Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2022

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#### 9. Directors' remuneration *(continued)*

Contributions are made to two of the directors defined contribution pension schemes.

All directors' remuneration for the group is incurred by Utilita Group Limited, it is not practicable to apportion between group companies.

#### 10. Exceptional items

	2022 £000	Group 2021 £000	2022 £000	Company 2021 £000
Gain on sales of excess energy	39,600	—	—	—

Included in turnover, as part of sales of energy back to the market, is an amount of £60.6m and included in cost of sales is an amount of £21.0m, being the cost of buying that energy.

This net £39.6m represents an exceptional gain from hedging energy. Energy was hedged for the winter 2021-22 based on expected customer numbers at expected consumption. When energy delivered to customers was less than had been forward purchased Utilita Energy Limited sold the excess back to the market at a price significantly higher than the price agreed at the time of agreeing to purchase that energy.

This exceptional gain was a result of following the company's prudent hedging policy and was not a result of speculative trading, nor did it result from additional charges to customers.

#### 11. Other interest receivable and similar income

	2022 £000	2021 £000
Interest on cash and cash equivalents	2	44
Gain on settlement of renewables obligation certificates	471	605
	<u>473</u>	<u>649</u>

#### 12. Interest payable and similar expenses

	2022 £000	2021 £000
Other interest	85	817
Other finance charges	150	150
	<u>235</u>	<u>967</u>

# Utilita Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

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### 13. Tax on profit/(loss)

#### Major components of tax expense

	2022 £000	2021 £000
<b>Current tax:</b>		
UK current tax expense	1,927	—
Adjustments in respect of prior periods	121	—
Total current tax	<u>2,048</u>	<u>—</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	1,128	(801)
<b>Tax on (loss)/profit</b>	<u>3,176</u>	<u>(801)</u>

#### Reconciliation of tax expense/(income)

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022 £000	2021 £000
Profit/(loss) on ordinary activities before taxation	<u>21,875</u>	<u>(5,292)</u>
Profit/(loss) on ordinary activities by rate of tax	4,152	(1,005)
Adjustment to tax charge in respect of prior periods	121	—
Effect of expenses not deductible for tax purposes	919	86
Fixed asset differences	(54)	137
Effect of change in tax rate	(1,962)	—
Other taxable differences	—	(19)
<b>Tax on (loss)/profit</b>	<u>3,176</u>	<u>(801)</u>

# Utilita Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

### 14. Intangible assets

Group	Goodwill £000	Acquisition cost £000	Installation costs £000	Development costs £000	Total £000
<b>Cost</b>					
At 1 April 2021	2,841	74,367	20,066	4,531	101,805
Additions	–	13,027	3,762	9,620	26,409
Disposals	–	(8,403)	(1,885)	–	(10,288)
<b>At 31 March 2022</b>	<b>2,841</b>	<b>78,991</b>	<b>21,943</b>	<b>14,151</b>	<b>117,926</b>
<b>Amortisation</b>					
At 1 April 2021	1,181	36,762	7,481	691	46,115
Charge for the year	280	13,935	4,358	1,428	20,001
Disposals	–	(3,470)	(856)	–	(4,326)
Impairment losses	1,380	–	–	–	1,380
<b>At 31 March 2022</b>	<b>2,841</b>	<b>47,227</b>	<b>10,983</b>	<b>2,119</b>	<b>63,170</b>
<b>Carrying amount</b>					
<b>At 31 March 2022</b>	<b>–</b>	<b>31,764</b>	<b>10,960</b>	<b>12,032</b>	<b>54,756</b>
At 31 March 2021	1,660	37,605	12,585	3,840	55,690

The company has no intangible assets.

Amortisation in the year for Acquisition Costs and Installation Costs is charged to Cost of Sales and that for Development Cost is charged to Administrative Expenses.

### 15. Tangible assets

Group	Land and buildings £000	Plant and machinery £000	Equipment £000	Assets under construction £000	Total £000
<b>Cost</b>					
At 1 April 2021	3,541	2,206	12,582	48	18,377
Additions	146	4,058	1,130	25	5,359
Disposals	(271)	–	(416)	–	(687)
Transfers	–	–	48	(48)	–
<b>At 31 March 2022</b>	<b>3,416</b>	<b>6,264</b>	<b>13,344</b>	<b>25</b>	<b>23,049</b>
<b>Depreciation</b>					
At 1 April 2021	1,190	1,573	9,139	–	11,902
Charge for the year	317	944	1,783	–	3,044
Disposals	(111)	–	(270)	–	(381)
<b>At 31 March 2022</b>	<b>1,396</b>	<b>2,517</b>	<b>10,652</b>	<b>–</b>	<b>14,565</b>
<b>Carrying amount</b>					
<b>At 31 March 2022</b>	<b>2,020</b>	<b>3,747</b>	<b>2,692</b>	<b>25</b>	<b>8,484</b>
At 31 March 2021	2,351	633	3,443	48	6,475

The company has no tangible assets.

# Utilita Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

### 16. Investments

The group has no investments.

Company	Shares in group undertakings £000
<b>Cost</b>	
<b>At 1 April 2021 and 31 March 2022</b>	<b>11,556</b>
<b>Impairment</b>	
At 1 April 2021	–
Impairment losses	2,886
<b>At 31 March 2022</b>	<b>2,886</b>
<b>Carrying amount</b>	
<b>At 31 March 2022</b>	<b>8,670</b>
At 31 March 2021	11,556

### Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
<b>Subsidiary undertakings</b>		
Utilita Energy Limited	Ordinary	100
Utilita Services Limited	Ordinary	100
Utilita Field Services Limited	Ordinary	100
Utilita Telesales Limited	Ordinary	100
Hooga Limited (indirect)	Ordinary	100

The principal activity of these companies is:

Utilita Energy Limited - supply of energy  
 Utilita Services Limited and Utilita Telesales Limited - sales agency services  
 Utilita Field Services Limited - installation and maintenance of utility meters  
 Hooga Limited - installation of energy efficiency measures

In addition Utilita Gas Limited and Planetpoints Limited are dormant companies owned by subsidiaries. Winchester Gas Distribution Ltd is dormant and owned directly.

All companies in the Utilita group have the same registered office.

### 17. Stocks

	2022 £000	Group 2021 £000	2022 £000	Company 2021 £000
Work in progress	–	655	–	–
Finished goods and goods for resale	23,880	20,177	–	–
	<u>23,880</u>	<u>20,832</u>	<u>–</u>	<u>–</u>

# Utilita Group Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2022

#### 17. Stocks *(continued)*

Finished goods and goods for resale include Renewable Obligation Certificates of £21,406k (2021 £17,545k).

#### 18. Debtors

	2022	Group	2022	Company
	£000	2021	£000	2021
		£000		£000
Trade debtors	62,778	58,315	–	–
Amounts owed by group undertakings	–	–	6,435	4,804
Deferred tax asset	9,198	10,324	41	–
Prepayments and accrued income	6,396	5,814	10	6
Other debtors	27,615	12,662	–	–
	<u>105,987</u>	<u>87,115</u>	<u>6,486</u>	<u>4,810</u>

The debtors above include the following amounts falling due after more than one year:

	2022	Group	2022	Company
	£000	2021	£000	2021
		£000		£000
Deferred tax asset	9,198	10,324	41	–
Prepayments and accrued income	275	512	–	–
Other debtors	18	10	–	–
	<u>9,491</u>	<u>10,846</u>	<u>41</u>	<u>–</u>

The group has placed cash collateral of £12.8m (2021 £8.5m) in respect of the purchase of energy and other services, which are included in other debtors.

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

	2022	Group	2022	Company
	£000	2021	£000	2021
		£000		£000
Trade creditors	16,831	18,421	103	121
Amounts owed to group undertakings	–	–	9,248	7,525
Accruals and deferred income	138,415	141,465	1,563	371
Corporation tax	1,484	–	–	–
Social security and other taxes	1,177	1,027	185	142
Balances with customers	35,576	30,307	–	–
Other creditors	733	1,066	29	–
	<u>194,216</u>	<u>192,286</u>	<u>11,128</u>	<u>8,159</u>

# Utilita Group Limited

## Notes to the Financial Statements (continued)

### Year ended 31 March 2022

#### 20. Provisions

Group	Deferred tax (note 21) £000	Dilapidations £000	Total £000
At 1 April 2021	8	501	509
Additions	2	149	151
<b>At 31 March 2022</b>	<b>10</b>	<b>650</b>	<b>660</b>

The company does not have any provisions.

The provision for property dilapidations represents management's best estimate of the expected cost that will be incurred when the company vacates and returns to the respective landlords, each of the properties, it occupies under leases, where those leases obligate the company to return the property in a specified condition.

#### 21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2022 £000	Group 2021 £000	2022 £000	Company 2021 £000
Included in debtors (note 18)	9,198	10,324	41	—
Included in provisions (note 20)	(10)	(8)	—	—
	<b>9,188</b>	<b>10,316</b>	<b>41</b>	<b>—</b>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2022 £000	Group 2021 £000	2022 £000	Company 2021 £000
Accelerated capital allowances	627	785	—	—
Unused tax losses	8,498	9,519	—	—
Pension plan obligations	63	12	41	—
	<b>9,188</b>	<b>10,316</b>	<b>41</b>	<b>—</b>

#### 22. Employee benefits

##### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £1,116,812 (2021: £980,126).

The liability at the year end for pension contributions was £179,419 (2021 £156,619).

# Utilita Group Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2022

#### 23. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £0.01 each	1,443,397	14,434	1,443,397	14,434
B Ordinary shares of £0.01 each	195,000	1,950	195,000	1,950
	<u>1,638,397</u>	<u>16,384</u>	<u>1,638,397</u>	<u>16,384</u>

B Ordinary shares rank pari passu with Ordinary shares except that they are Non-Voting. B Ordinary shares convert to Ordinary shares if and when the issued share capital exceeds £16,383.97.

#### 24. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses.

Share option reserve - Share options comprising 63% (2021 63%) of the ordinary share capital of the company, on a fully diluted basis, have been granted. These options were granted in lieu of an amendment to the preferred supplier agreement which benefits Utilita Energy Limited and the value of these options is therefore amortised over the life of the PSA as a finance cost to the Group. During the year, the related finance charge was £150,000 (2021 £150,000).

#### 25. Analysis of changes in net debt

	At 1 Apr 2021	Cash flows	At 31 Mar 2022
	£000	£000	£000
Cash at bank and in hand	<u>3,685</u>	<u>(2,215)</u>	<u>1,470</u>

#### 26. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Not later than 1 year	2,590	2,854	—	—
Later than 1 year and not later than 5 years	7,323	7,911	—	—
Later than 5 years	1,419	3,017	—	—
	<u>11,332</u>	<u>13,782</u>	<u>—</u>	<u>—</u>

The group has a commitment to pay utility meter owners rentals for utility meters used by our customers. These arrangements are on a pence per day basis and are only payable while Utilita Energy Limited supplies energy to that customer. The amount paid in respect of this commitment was £46.4m (2021 £45.2m).

# Utilita Group Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2022

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#### 27. Contingencies

The group's hedging strategy aims to provide the group with protection against sudden and significant increases in energy prices while ensuring that the group is not competitively disadvantaged in a serious way in the event of a substantial fall in the price of energy. The strategy operates within limits set by the Board. The group's policy is not to trade in derivatives but to use these instruments to hedge anticipated expenses.

At 31 March 2022 the group has entered into a portfolio of forward contracts for the purchase of energy. These contracts are capable of being bought and sold in an arm's length transaction. At 31 March 2022 the price to which the group is committed is below the market price for such contracts by £307m (2021 £23m). Most of these contracts are for a period of up to one year.

Utilita Group Limited has guaranteed the banking facilities of its subsidiaries. At 31 March 2022 the balance outstanding under these guarantees was £nil (2021 £nil).

Utilita Group Limited has also guaranteed the liabilities for the purchase of energy of Utilita Energy Limited to BP Gas Marketing Limited. At 31 March 2022 the balance outstanding under this guarantee was £1.7m (2021 £8.4m).

#### 28. Events after the end of the reporting period

The continued increase in the spot and forward prices of energy, and the potential for retail energy suppliers to fail and enter the Supplier of Last Resort (SoLR) process is still leading to uncertainty.

Utilita Energy Limited has forward hedged 100% of its energy requirements for the price cap periods October 2022 to March 2023 and locked in costs for that period at a level consistent with the price cap. Utilita Energy Limited is still exposed to balancing and shaping costs and to weather related changes in demand. The increase to the costs of wholesale energy is causing annual energy costs to be at significantly higher levels than ever seen before. These high prices will see customer self-disconnection and default on payments.

From 01 October 2022 HM Government has provided additional support to retail energy customers via three schemes:

- Energy Bills Support Scheme (EBSS) where all domestic customers will receive £400 over the period October 2022 to March 2023;
- Energy Price Guarantee (EPG) where the average consumption domestic customer will see their annual cost limited to £2,500 from October 2022 and £3,000 from April 2023, this support is due to end in March 2024; and
- Energy Bills Relief Scheme (EBRS) where commercial customers receive support against their ongoing consumption.

Both EBSS and EPG will cushion our customers from the high prices that they would otherwise have experienced.

In May 2022 Utilita Group Limited acquired Gilmond Consulting Limited (now called Procode Technology Limited) to complement the IT estate and in November 2022 acquired Canary Care Global Limited to assist in the expansion of the group's services into the care sector. The cost of these acquisitions was around £1.5m.



# Utilita Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

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### 29. Related party transactions

#### Group

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the group was £4,160k (2021 £2,575k).

The partner of a member of key management personnel provided consultancy services to the group and the spouse of a member of key management personnel was employed by the group, the total expense for the year was of £69,340 (2021 £24,758). At 31 March 2021 an amount of £nil (2021 £6,564) was unpaid.

Utilita Energy Limited purchases the majority of the energy for resale under a preferred supplier agreement. The supplier of energy has the power to obtain control of Utilita Group Limited by exercising options (at certain vesting points) but they have not currently exercised these options.

#### Company

In line with the requirements of Section 33 of FRS 102 the company has not disclosed transactions with other wholly owned entities within the group.

### 30. Controlling party

W.N. Bullen, the majority shareholder of Utilita Group Limited, has day to day control of the Group, however a preferred supplier, of Utilita Energy Limited, has the power to obtain control by exercising options (at certain vesting points) but they have not currently exercised these options.