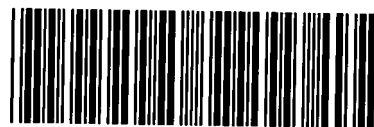


Company Registration No. 07828647 (England and Wales)

**VITAL ENERGI SOLUTIONS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2022**

SATURDAY



\*ABY3750Q\*

A03

25/02/2023

#280

COMPANIES HOUSE

# VITAL ENERGI SOLUTIONS LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	Mr G J Fielding Mr I M Whitelock Mr A P Malin Ms C Parker
<b>Secretary</b>	Mr S McKechnie
<b>Company number</b>	07828647
<b>Registered office</b>	Century House Roman Road Blackburn Lancashire BB1 2LD
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants Bluebell House Brian Johnson Way Preston Lancashire PR2 5PE

---

# VITAL ENERGI SOLUTIONS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 JUNE 2022

---

The directors present the strategic report and financial statements for the year ended 30 June 2022.

#### Principal activity

During the year the company continued to design, install and operate decentralised energy generation and distribution schemes under long term energy performance contracts.

The company has continued to produce energy efficient combined heat and power and other low carbon energy generation systems with long term cost benefits for clients in a broad range of markets including Healthcare, Education and Councils. In addition, the company provides a range of services to reduce energy and carbon as it assists clients to achieve their carbon targets.

Additionally, the company broadened the scope of its energy services and significantly increased sales in the year. Beginning with the Healthcare Sector, the company now actively procures, manages and sells utilities (Gas and Electricity) on behalf of several large acute hospital trusts. Continued growth in the sale of fuel procurement and management is expected as part of the company's long term business development strategy on sites where the company operates the energy generation assets. Certain prior year amounts have been restated for consistency with the current year accounting treatment of this revenue segment. Following an assessment of the accounting for these transactions and in line with Section 23 of FRS 102, it has been assessed the company is the agent for these transactions rather than the principal and therefore the revenue recognised should only be the value of the commission. Gross Profit and Reserves remain unaffected by this revenue recognition adjustment.

Creating further revenue generation, the company has directly secured additional Capacity Market agreements for several of its NHS and Higher Education customers. These are direct agreements with customers and not procured through third party aggregators thus creating enhanced revenue benefits for both the customer and the company. As part of the company's ongoing plan for growth through diversification the company actively targets large energy users in Industrial and Commercial Markets to develop resilient low carbon high efficiency energy solutions. The period has seen the ongoing generation of a significant pipeline of new opportunities which are expected to generate revenue in the next financial year.

#### Review of the business

The company's turnover increased by £11.9m to £58.8m (FY21 £46.9m as restated), which was an increase of 25.4%. Following an assessment of the accounting for certain transactions and in line with Section 23 of FRS 102, it has been assessed the Group is the agent for these transactions rather than the principal and therefore the revenue recognised should only be the value of the commission. Gross Profit and Reserves remain unaffected by this revenue recognition adjustment. The directors are very pleased with the continued growth of the company. The timing of revenue has resulted in a decrease in trade debtors of £8m at the period end.

The company achieved an operating profit of £4.8m (FY21 £3.0m) which was an increase of £1.8m on the previous year.

During the year the company commenced the delivery of a number of projects, some of which benefitted from Public Sector Decarbonisation phase 1 grants (PSDS) including Northwick Park, Cheltenham and Gloucester, St James Hospital and Christies Hospitals and also delivered traditional schemes at Nottingham City Hospital, Christies Hospital and Manchester Civic Quarter.

The company increased its gross profit margin to 12.9% (FY21 11.3% as restated) which was an increase of 1.6%. This was mainly due to stronger underlying profit margins driven by the mix of projects as well as better labour utilisation.

The company ended the year with a cash balance of £11.3m (FY21 £6.5m) and the directors believe that the business will continue to be cash positive and that its liquidity is more than adequate to sustain the business through a period of growth.

The net assets of the company increased to £11.8m (FY21 £7.9m).

The Company already has a strong sales and secured order book for FY23, and the forecast for FY23 shows a continuation of the significant growth levels experienced in previous years which is underpinned by a significant growth in operational revenues lasting anything between 15 and 30 years. This long term contract model has the benefit of a higher proportion of recurring revenues being secured for each trading year.

# VITAL ENERGI SOLUTIONS LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

---

### Review of the business (continued)

The Company has been very successful in the Public Sector Decarbonisation Scheme, PSDS phases 1, 2 and 3 of the grant funding, has meant the Carbon and Energy Fund (CEF), RE:Fit and Essentia Frameworks continue to deliver good opportunities in the NHS hospital sector and city centre schemes and the company continues to pursue wider opportunities in the education and industrial markets.

In addition, the Department for Business Energy and Industrial Strategy (BEIS) has launched phase 3b of PSDS which is providing significant grant funding for public sector organisations to support the decarbonisation of their buildings. This has generated a significant pipeline of opportunities which will support future years growth.

The business made significant positive environmental impact by providing low carbon energy efficient solutions to its customers supporting them in their decarbonisation journey to net zero.

### Key risks and uncertainties

The directors have assessed one of the main risks facing the company continues to be increased competition from new entrants to the market. The directors believe that its quality of staff, products and services, as well as its strong links with companies in northern European countries where similar products and services have matured will help to mitigate this risk.

There are also always risks associated with delays in the approval to commence any large-scale project.

### Future developments

The ESCo side of the business is expected to grow further bringing a higher proportion of long term revenue and profit streams to support the traditional design and build business.

The Company now has an executed option over an Energy From Waste plant located in Derbyshire. The grid connection has been successfully secured and the company is now working towards amending the planning permission to be able to deploy our own design in line with the Drakelow facility that has been constructed in another group company.

As a continued strategy into asset ownership, the company are developing 5 battery storage sites with a joint venture partner and will be looking to secure funding during 2023 with deployment on the sites during 2024 and 2025. All grid connections for the projects are already secured.

The directors believe that continuing levels of activity in the construction sector and government grants and incentives promoting schemes which contribute to the Government's 2050 net zero target will continue to provide added impetus to growth in the medium term.

# VITAL ENERGI SOLUTIONS LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2022

---

#### Section 172 (1) statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of the company as a whole.

In doing this, section 172 requires the directors to have regard to, amongst other matters:

- 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 environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and

In discharging their section 172 duties, the directors have regard to all the matters set out above.

Authority for day to day management of the company is delegated to business sector boards. The directors are provided with information in a variety of formats to ensure they are able to discharge their Section 172 duties and engage with the business sector boards regularly in:

- setting, approving and executing business strategy, plans and policies;
- reviewing business performance;
- managing risk;
- decisions relating to material business initiatives and other matters.
- reviewing health and safety and
- reviewing the impact of COVID 19

The directors and business sector boards manage the business in a responsible manner with the aim of ensuring that the company maintains a reputation for high standards of business conduct and good governance. The company has policies in place in relation to conduct and standards, criminal finance act, anti-bribery and corruption measures, equal opportunities and diversity, and modern slavery. The group's statement on modern slavery can be found on its website [www.vitalenergi.co.uk](http://www.vitalenergi.co.uk).

The company's key stakeholders are its employees, clients, suppliers, the community and its investors. The directors have regard to the views of all these stakeholders in their decision making. Engagement with these stakeholders occurs through various channels, including:

- **Employees:** The Company has a strong focus on maintaining a culture of employee engagement and wellbeing. Our employees play a key role in the success of our business' strategic goals and the Board recognises the importance of a positive and supportive working environment for our staff. The senior leadership team hold regular company meetings to share feedback from customers, the product development pipeline and upcoming launches and business performance updates. Employees receive regular business sector briefings and there are regular news communications, briefing employees on new business, project progress as well as employee related news and achievements. The Company continues to enhance its pay and benefits and a Remuneration Committee has now been set up to review all pay and benefits related matters.
- **Customers:** The directors, Business Area Boards and employees are focused on delivering outstanding services to its customers. Customer feedback is regularly obtained to ensure that we offer excellent service and value for money and to ensure that our performance is aligned to current and future customer requirements. In order to continue to deliver exceptional service, and products which meet the needs of its growing and evolving customer base, feedback at every point of the customer's experience is regularly gathered and distributed throughout the organization which is vital to ensure the business reacts and adapts to maintain customer loyalty. The Company takes all feedback seriously; from how to make its website easier to navigate, to how it processes and fulfils orders, how its products operate, services are delivered, and treat all insight as valuable learnings on how to enhance our customer proposition and grow our business.

# VITAL ENERGI SOLUTIONS LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

---

- **Suppliers:** The Company maintains close relationships with its key suppliers and subcontractors through regular feedback and periodic meetings. This continual collaboration is critical to maintain stock availability, service quality and competitive prices; enables the Company to understand the market risks; and plan efficiently for an ever-changing environment. The Company's procurement approach requires that suppliers have core values that are consistent with those of the Company and contract terms ensure that the interests of the Company and its suppliers and subcontractors are closely aligned.
- **Corporate Social Responsibility (CSR):** Vital Energi's CSR touches on the community, the marketplace, environment, and workplace. It covers a wide range of activities and programmes including introducing and focusing all employees on our energy consumption reduction and recycling targets. The company is committed to developing the key industry skills needed to achieve net zero and create a sustainable workforce of the future, as well as helping tackle the post-Covid economic recovery across the UK. Core practical and theoretical training modules, CPD sessions and Lessons Learned sessions regularly take place at The Company's recently constructed Head Office based Training Centre in Blackburn. The Company's programme of investment in new skills training and skills translation for staff recruited from other sectors will support the wider goals set out in a range of government plans and strategies, which identifies that the transition to net zero emissions will support the government's growth objectives, create jobs and business opportunities, and reinforce the UK's position as a global leader in technologies to address climate change. The Company specialises in low/zero carbon energy generation and heat networks which will play an increasingly important role in meeting the UK's net zero objectives. The Company is also looking at how it can engage with charities and be more involved in charitable work. During the year the Company donated to the Christie Charity which provides enhanced services over and above that which the NHS funds for the care and treatment of patients and their families and will continue this relationship.
- **Investors:** The Company's shareholders are represented in the corporate governance and operational structure of the Company. The Board recognises the requirement to present fair, balanced, and understandable information to all stakeholders and particularly its shareholders and investors. The Company is committed to transparent and effective communications with all its shareholders so that there is a clear understanding of the Company's strategic objectives and performance. The directors of the Company ensure alignment with shareholders' interests through monthly Company board meetings and reporting where third party shareholder representatives are present.
- **Maintaining high standards of business conduct:** The Company is incorporated in the UK and is governed by the Companies Act 2006. The Board recognises the importance of maintaining high standards of corporate governance to ensure that the interests of the Company's stakeholders are protected. The Company operates robust financial controls that are regularly reviewed and documented and maintains policies on data protection, health and safety, and anti-bribery and corruption for example. The Board has reviewed all related party transactions and maintains a register of Directors Interests.

On behalf of the board



Mr G J Fielding  
Director

Date: 17/02/23

# VITAL ENERGI SOLUTIONS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 JUNE 2022

---

The directors present their annual report and financial statements for the year ended 30 June 2022.

#### Principal activities

The principal activity of the company is disclosed in the strategic report.

#### Results and dividends

The results for the year are set out on page 11.

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

#### Directors

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

Mr G J Fielding  
Mr I M Whitelock  
Mr S J Beckett  
Mr A P Malin  
Ms C Parker

(Resigned 4 March 2022)

(Appointed 4 March 2022)

#### Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

#### Auditor

The auditor, RSM UK Audit LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### Energy and carbon reporting

The company's ultimate parent undertaking is Vital Holdings Limited and the company's greenhouse gas emissions, energy consumption and energy efficiency activities are reported in the group accounts of Vital Holdings Limited.

#### Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. This applies to future developments.

# VITAL ENERGI SOLUTIONS LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

---

### Statement of disclosure to auditor

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

### Financial risk management objective and policies

The group finances its operations through a mixture of retained profits and where necessary to fund expansion or capital expenditure programmes through bank borrowings.

The management objectives are to:

- Retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due whilst maximising returns on surplus funds;
- Minimise the company's exposure to fluctuating interest rates when seeking borrowing; and
- Match the repayment schedule of any external borrowings or overdrafts with the expected future cash flows expected to arise from the company and its group's cash flows.

Where appropriate, funds are invested in sterling bank deposit accounts and borrowings are all obtained from standard bank loan accounts. As such, there is little price risk exposure.

Where appropriate, funds are held primarily in short-term variable rate deposit accounts. The directors believe that this gives them flexibility to release cash resources at short notice and also allows them to take advantage of changing conditions in the finance markets as they arise. All deposits are with reputable UK banks and the directors believe their choice of bank minimises any credit risk associated with not placing funds on deposit with a UK clearing bank.

On behalf of the board



Mr G J Fielding  
Director

Date: 17/02/23



# **VITAL ENERGI SOLUTIONS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 30 JUNE 2022**

---

The directors are responsible for preparing the Strategic Report and the 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VITAL ENERGI SOLUTIONS LIMITED**

---

## **Opinion**

We have audited the financial statements of Vital Energi Solutions Limited (the 'company') for the year ended 30 June 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and 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 company's affairs as at 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## **Other information**

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VITAL ENERGY SOLUTIONS LIMITED (CONTINUED)**

---

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

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

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VITAL ENERGY SOLUTIONS LIMITED (CONTINUED)

---

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and the Companies Act 2006. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these laws and regulations and performed procedures including a review of board minutes and performed a search for notices published by the Health and Safety Executive.

The audit engagement team identified the risk of management override of controls and judgments and estimates made in the valuation of amounts recoverable on contracts, work in progress and amounts recognised in revenue as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to:

- testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business; and
- challenging judgments and estimates applied in the valuation of amounts recoverable on contracts and amounts recognised in revenue by reviewing contract meeting minutes; reviewing post year end performance; and comparing outturn of projects with estimates made in preparing the previous year's financial statements.

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

### **Use of our report**

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

*Michael Oates*

Michael Oates CA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Bluebell House  
Brian Johnson Way  
Preston  
Lancashire, PR2 5PE

.....  
20/02/23

# VITAL ENERGI SOLUTIONS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

		2022	2021
	Notes	£	as restated £
Turnover	4	58,752,038	46,931,225
Cost of sales		(51,152,904)	(41,636,292)
<b>Gross profit</b>		<b>7,599,134</b>	<b>5,294,933</b>
Administrative expenses		(2,988,142)	(2,323,391)
Other operating income		168,137	11,393
<b>Operating profit</b>	7	<b>4,779,129</b>	<b>2,982,935</b>
Interest receivable and similar income	9	117,284	7,568
<b>Profit before taxation</b>		<b>4,896,413</b>	<b>2,990,503</b>
Tax on profit	10	(963,721)	(389,815)
<b>Profit for the financial year</b>		<b>3,932,692</b>	<b>2,600,688</b>

The prior year comparatives for the year ended 30 June 2021 have been restated. See note 3 for further details.

**VITAL ENERGI SOLUTIONS LIMITED****BALANCE SHEET  
AS AT 30 JUNE 2022**

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Intangible assets	11		34,117		28,437
Tangible assets	12		779,177		926,228
Investments	13		200		100
			<u>813,494</u>		<u>954,765</u>
<b>Current assets</b>					
Stocks	15	1,478,979		2,983,364	
Debtors	16	19,911,513		22,043,517	
Cash at bank and in hand		11,325,898		6,451,750	
		<u>32,716,390</u>		<u>31,478,631</u>	
<b>Creditors: amounts falling due within one year</b>	17	(21,678,645)		(24,515,146)	
<b>Net current assets</b>			<u>11,037,745</u>		<u>6,963,485</u>
<b>Total assets less current liabilities</b>			<u>11,851,239</u>		<u>7,918,250</u>
<b>Provisions for liabilities</b>	18		(11,268)		(10,971)
<b>Net assets</b>			<u><u>11,839,971</u></u>		<u><u>7,907,279</u></u>
<b>Capital and reserves</b>					
Called up share capital	21		100		100
Profit and loss reserves	22		11,839,871		7,907,179
<b>Total equity</b>			<u><u>11,839,971</u></u>		<u><u>7,907,279</u></u>

The financial statements were approved by the board of directors and authorised for issue on 17/02/23 and are signed on its behalf by:



Mr G J Fielding  
Director

# VITAL ENERGI SOLUTIONS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 July 2020</b>	100	5,306,491	5,306,591
<b>Year ended 30 June 2021:</b>			
Profit and total comprehensive income for the year	-	2,600,688	2,600,688
<b>Balance at 30 June 2021</b>	100	7,907,179	7,907,279
<b>Year ended 30 June 2022:</b>			
Profit and total comprehensive income for the year	-	3,932,692	3,932,692
<b>Balance at 30 June 2022</b>	100	11,839,871	11,839,971

# VITAL ENERGI SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2022

---

#### 1 Accounting policies

##### Company information

Vital Energi Solutions Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Century House, Roman Road, Blackburn, Lancashire, BB1 2LD.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

##### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups Regulations 2008.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Vital Holdings Limited. These consolidated financial statements are available from its registered office Century House, Roman Road, Blackburn, Lancashire, BB1 2LD.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.



# VITAL ENERGI SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2022

---

#### 1 Accounting policies (Continued)

##### Going concern

In assessing that the entity is a going concern, the directors have taken into account financial forecasts for the year ending June 2023 and forecasts for the period ending June 2024. The forecasts indicate a positive view of sales, profitability and cash and are underpinned by a detailed order book summary and prospect list which have allowed the directors to predict the outturn for the year ending 2023 with some accuracy, as the majority of that sales forecast consists of secured orders. A prospect list has been used by business unit directors to predict the sales then to the period ending June 2027.

Although the global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades, creating uncertainties and some delays in new project award decisions, the current financial year is benefitting from a high level of orders and prospects as a result of the introduction of the Public Sector Decarbonisation Scheme, and a general focus on decarbonisation.

Taking into account potential sensitivities, the directors have satisfied themselves that there is sufficient forecast liquidity to meet foreseeable issues in the forecast period to June 2024. The review has also been underpinned by the analysis of the company's borrowing facilities and the directors are satisfied that appropriate and committed financing arrangements are in place.

The company itself made a profit before taxation during the year of £4.9m and had net current assets at the year-end of £11.0m.

On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis as the review conducted suggests the business will meet its obligations as they fall due for a period of at least 12 months from the approval of these financial statements.

##### Turnover

The turnover shown in the profit and loss account represents the value of all goods and services provided during the year, at selling price exclusive of Value Added Tax. Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance.

Turnover for ongoing maintenance and project management services is recognised as the service is provided.

For construction contracts, turnover represents the value of work done in the year and is determined by reference to the stage of completion of each contract.

For the provision of utilities, where the contract is on a pass through basis only, it has been assessed the company is the agent for these transactions rather than the principal and therefore the revenue recognised is the value of the commission.

##### Construction contracts

Profit on construction contracts is taken as the work is carried out, if the final outcome can be assessed with reasonable certainty. The profit is calculated on a prudent basis to reflect the proportion of the work carried out by the year end by recording turnover and related costs as contract activity progresses.

Turnover is calculated as that proportion of total contract revenue which costs incurred to date bear to total expected costs for that contract. Revenue derived from the variations on contracts is only recognised when they have been accepted by the customers.

Full provision is made for losses on all contracts in the year in which they are foreseen.

Amounts recoverable on contracts are amounts not yet invoiced for which work has been completed but not yet certified. Payments received on account are payments received in advance of the work being undertaken.

# VITAL ENERGI SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2022

---

#### 1 Accounting policies (Continued)

##### Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

##### Intangible fixed assets other than goodwill

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

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

Development costs	20% straight line
-------------------	-------------------

##### Tangible fixed assets

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

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

Plant and machinery	10% - 33% straight line
Fixtures, fittings and equipment	20% straight line

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

##### Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### Impairment of fixed assets

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

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

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

# VITAL ENERGI SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2022

---

#### 1 Accounting policies (Continued)

##### **Stocks**

Work in progress is stated at the lower of cost and realisable value less costs to complete. Cost comprises direct materials and, where applicable, those overheads that have been incurred in bringing the work in progress to its present condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

##### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

##### **Financial instruments**

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

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

##### **Basic financial assets**

Basic financial assets, which include trade and other debtors, gross amounts owed by contract customers, amounts owed by group undertakings, and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

##### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date.

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

##### **Derecognition of financial assets**

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

##### **Classification of financial liabilities**

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

##### **Basic financial liabilities**

Basic financial liabilities, including trade creditors and amounts due to group undertakings, are initially recognised at transaction price.

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

# VITAL ENERGI SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2022

---

#### 1 Accounting policies (Continued)

##### ***Derecognition of financial liabilities***

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

##### **Equity instruments**

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

##### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, or a right to receive repayments of tax.

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

##### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

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

##### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

##### **Leases**

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

# VITAL ENERGI SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2022

---

#### 1 Accounting policies (Continued)

##### **Government grants**

Government grants have been recognised based on the accruals model.

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

The government grant income received during the year ended 30 June 2021 related to the government's Coronavirus Job Retention Scheme. This has been included in other income in the financial statements. No such grant income was received in the current year.

The grant specifies performance conditions and is recognised in income when the performance conditions are met, which is the month in which the employees are paid. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 2 Judgements and key sources of estimation uncertainty

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

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

##### **Critical judgements**

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

##### **Construction contracts**

In producing the financial statements, the directors have taken judgements over the profit to be taken on construction contracts. Profit is taken as the work is carried out where the final outcome can be assessed with reasonable certainty. The profit is calculated on a prudent basis based on the stage of completion by the year end which can sometimes differ to the assessments of external Quantity Surveyors. Full provision is made for losses on all contracts in the year in which they are foreseen.

##### **Revenue recognition**

The company reviews the nature of its contracts to assess whether they are acting as a Principal or an Agent in the transaction. Where the company concludes that they do not bear any price, inventory or credit risk in the transaction, the agreed fixed fees are recognised as Revenue (rather than the gross amounts transacted).

##### **Key sources of estimation uncertainty**

The following estimates have had the most significant effect on amounts recognised in the financial statements.

##### **Fixed asset impairment**

In producing the financial statements the directors have estimated the value in use of a material item of plant and machinery and have satisfied themselves that no impairment of the asset exists.

# VITAL ENERGI SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 3 Prior period adjustment

#### Revenue recognition

Certain prior year amounts in respect of the sale of fuel procurement and management have been restated for consistency with the current year accounting treatment of this revenue segment. Following an assessment of the accounting for these transactions and in line with Section 23 of FRS 102, it has been assessed the company is the agent for these transactions rather than the principal and therefore the revenue recognised should only be the value of the commissions earned. Gross Profit and Reserves remain unaffected by this revenue recognition adjustment. The impact of the restatement of revenue and cost of sales is set out in the reconciliation below. This has impacted the prior year revenue figure by reducing it by £7,900,027 with cost of sales decreasing by £7,900,027. There has been no impact on the profit for the financial period or the net assets or opening equity as at 1 July 2020.

#### Changes to the profit and loss account

	As previously reported	Adjustment	As restated
Period ended 30 June 2021	£	£	£
Turnover	54,831,252	(7,900,027)	46,931,225
Cost of sales	(49,536,319)	7,900,027	(41,636,292)
Profit for the financial period	2,600,688	-	2,600,688

### 4 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022	2021
	£	as restated £
<b>Turnover analysed by class of business</b>		
Provision of goods and services	58,752,038	46,931,225
	<u>58,752,038</u>	<u>46,931,225</u>
	2022	2021
	£	£
<b>Other operating income and interest income</b>		
Interest income	117,284	7,568
Grants received	-	11,393
RDEC	168,137	-
	<u>285,421</u>	<u>18,961</u>
	2022	2021
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	58,752,038	46,931,225
	<u>58,752,038</u>	<u>46,931,225</u>

# VITAL ENERGI SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 5 Employees

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

	2022 Number	2021 Number
Number of direct staff	34	21
Number of indirect staff	7	4
Total	41	25

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	2,563,383	1,764,395
Social security costs	321,123	212,063
Pension costs	126,304	97,106
	3,010,810	2,073,564

### 6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	216,728	103,883
Company pension contributions to defined contribution schemes	16,308	7,150
	233,036	111,033

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).

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

	2022 £	2021 £
Remuneration for qualifying services	216,728	n/a
Company pension contributions to defined contribution schemes	16,308	n/a

The company was exempt in the prior from disclosing remuneration to the highest paid director due to the remuneration not exceeding £200,000.

# VITAL ENERGI SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 7 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(11,393)
Depreciation of owned tangible fixed assets	148,566	147,695
Amortisation of intangible assets	8,500	8,323
Operating lease charges	80,893	61,859
RDEC	(168,137)	-
	<u>          </u>	<u>          </u>

### 8 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	11,000	8,505
	<u>          </u>	<u>          </u>
<b>For other services</b>		
Taxation compliance services	1,800	1,600
All other non-audit services	2,640	2,300
	<u>          </u>	<u>          </u>
	4,440	3,900
	<u>          </u>	<u>          </u>

### 9 Interest receivable and similar income

	2022 £	2021 £
<b>Interest income</b>		
Other interest income	117,284	7,568
	<u>          </u>	<u>          </u>

Included within other interest income is £114,685 (2021: £7,568) of group loan interest. Interest is charged at 3.25% per annum.

### 10 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	945,958	595,344
Adjustments in respect of prior periods	17,466	(181,014)
	<u>          </u>	<u>          </u>
Total current tax	963,424	414,330
	<u>          </u>	<u>          </u>



# VITAL ENERGI SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 10 Taxation (Continued)

#### Deferred tax

Origination and reversal of timing differences	(19,406)	(35,721)
Changes in tax rates	-	11,206
Adjustment in respect of prior periods	19,703	-
Total deferred tax	297	(24,515)
Total tax charge	963,721	389,815

The total tax charge for the year included in the profit and loss account can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	4,896,413	2,990,503
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	930,318	568,196
Tax effect of expenses that are not deductible in determining taxable profit	978	-
Adjustments in respect of prior years	17,466	(181,014)
Permanent capital allowances in excess of depreciation	(86)	-
Deferred tax adjustments in respect of prior years	19,703	-
Adjust deferred tax to average rate	(4,658)	2,633
Taxation charge for the year	963,721	389,815

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021. Deferred tax has been calculated at 25% which was the tax rate substantively enacted at 30 June 2022.

# VITAL ENERGI SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 11 Intangible fixed assets

	Development costs £
<b>Cost</b>	
At 1 July 2021	41,615
Additions	14,180
At 30 June 2022	55,795
<b>Amortisation and impairment</b>	
At 1 July 2021	13,178
Amortisation charged for the year	8,500
At 30 June 2022	21,678
<b>Carrying amount</b>	
At 30 June 2022	34,117
At 30 June 2021	28,437

### 12 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>			
At 1 July 2021	1,396,700	37,709	1,434,409
Additions	1,515	-	1,515
At 30 June 2022	1,398,215	37,709	1,435,924
<b>Depreciation and impairment</b>			
At 1 July 2021	495,819	12,362	508,181
Depreciation charged in the year	141,024	7,542	148,566
At 30 June 2022	636,843	19,904	656,747
<b>Carrying amount</b>			
At 30 June 2022	761,372	17,805	779,177
At 30 June 2021	900,881	25,347	926,228

### 13 Fixed asset investments

	Notes	2022 £	2021 £
Investments in subsidiaries	14	200	100

# VITAL ENERGI SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 13 Fixed asset investments (Continued)

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost</b>	
At 1 July 2021	100
Additions	100
	<hr/>
At 30 June 2022	200
	<hr/>
<b>Carrying amount</b>	
At 30 June 2022	200
	<hr/>
At 30 June 2021	100
	<hr/>

On 14 December 2021 Vital Energi Solutions Limited subscribed to the entire ordinary share capital of Vital Energi (Bilsthorpe) Limited on its incorporation.

### 14 Subsidiaries

These financial statements are separate company financial statements for Vital Energi Solutions Limited.

Details of the company's subsidiaries at 30 June 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
CEF and NHM ESCo Limited	Note 1	Non-trading	Ordinary	100.00
Vital Energi (Bilsthorpe) Limited	Note 1	Non-trading	Ordinary	100.00

Note 1: Century House, Roman Road, Blackburn, Lancashire, BB1 2LD.

### 15 Stocks

	2022 £	2021 £
Work in progress	1,478,979	2,983,364
	<hr/>	<hr/>

# VITAL ENERGI SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 16 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	11,679,225	19,726,683
Gross amounts owed by contract customers	984,917	2,089,547
Corporation tax recoverable	118,505	180,950
Other debtors	33,423	29,929
Prepayments and accrued income	95,443	16,408
	<u>12,911,513</u>	<u>22,043,517</u>
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	<u>7,000,000</u>	<u>-</u>
<b>Total debtors</b>	<u>19,911,513</u>	<u>22,043,517</u>

Amounts owed by group undertakings includes £7m (2021: £nil) with interest charged at 3.25% per annum, charged monthly. The loans are repayable on 31 December 2026 or such date as may be determined by a resolution of the directors.

### 17 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	2,533,305	2,609,254
Amounts owed to group undertakings	6,474,508	6,952,860
Taxation and social security	1,746,152	5,967,291
Accruals and deferred income	10,924,680	8,985,741
	<u>21,678,645</u>	<u>24,515,146</u>

Amounts owed to group undertakings are repayable on demand. No interest was charged on these amounts.

### 18 Provisions for liabilities

	Notes	2022 £	2021 £
Deferred tax liabilities	19	<u>11,268</u>	<u>10,971</u>

# VITAL ENERGI SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2022 £	Liabilities 2021 £
<b>Balances:</b>		
Accelerated capital allowances	-	10,971
Fixed asset timing differences	11,268	-
	<u>11,268</u>	<u>10,971</u>
		<b>2022 £</b>
<b>Movements in the year:</b>		
Liability at 1 July 2021		10,971
Charge to profit or loss		297
		<u>11,268</u>
Liability at 30 June 2022		<u>11,268</u>

### 20 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	126,304	97,106
	<u>126,304</u>	<u>97,106</u>

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

Included within creditors is £nil (2021: £nil) relating to outstanding pension contributions.

### 21 Share capital

	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The shares rank pari passu and have full voting rights attached to them.

### 22 Reserves

#### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

# VITAL ENERGI SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 23 Financial commitments, guarantees and contingent liabilities

The company provided a guarantee relating to loans and overdrafts granted to fellow group companies by the Royal Bank of Scotland. This guarantee was satisfied during the year and at the year end the potential liability was £nil (2021: £186,604).

The company has numerous charges in favour of Aviva Investors Energy Centres No. 1 Limited Partnership. The charges contain fixed charges, floating charges and negative pledges over property or undertaking of the company.

The company has a charge dated 4 April 2014, in favour of The Royal Bank of Scotland plc. The charge contains a fixed charge, a floating charge and a negative pledge over property or undertaking of the company. The charge was satisfied in full on 10 December 2021.

The company has three charges dated 3 December 2015, 6 December 2018 and 15 December 2021, in favour of De Lage Landen Leasing Limited. The charges contain a fixed charge, a floating charge and a negative pledge over property or undertaking of the company.

### 24 Operating lease commitments

#### Lessee

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

	2022 £	2021 £
Within one year	66,515	74,970
Between one and five years	27,746	92,637
	<u>94,261</u>	<u>167,607</u>

### 25 Ultimate controlling party

The directors consider the immediate and ultimate parent company to be Vital Holdings Limited, a company incorporated in the United Kingdom. Vital Holdings Limited is the only parent undertaking preparing group accounts including the results of this company. The registered office of Vital Holdings Limited Century House, Roman Road, Blackburn, Lancashire, BB1 2LD.

Vital Holdings Limited is ultimately controlled by Mr G J Fielding and close family who controlled the majority of the issued share capital during this and the prior year.