Registered number: 09263295

SO ENERGY TRADING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

SO ENERGY TRADING LIMITED

COMPANY INFORMATION

Directors	C Davies S R Oscroft J Walsh S Ward A Kelly M Collings
Company secretary	R Gbadebo
Registered number	09263295
Registered office	107 Power Road London England W4 5PY
Independent auditor	Deloitte (NI) Limited Chartered Accountants & Statutory Auditor Lincoln Building 27-45 Great Victoria Street Belfast BT2 7SL
Bankers	Lloyds Commercial Bank 3rd Floor, 25 Gresham Street London EC2V 7HN

SO ENERGY TRADING LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Introduction

The Directors present their Strategic report, together with the audited financial statements of So Energy Trading Limited ("the Company") for the year ended 31 March 2021.

Business review

The financial performance of the Company is summarised below:

	2021	2020
Turnover (£)	246,785,094	202,121,058
Gross profit (£)	12,360,647	18,121,496
Operating (loss)/profit (£)	(15,914,361)	991,717
Gross profit margin	5.0 %	9.0 %

So Energy is a UK based award-winning renewable energy supplier. The Company's mission is to help customers achieve net zero by providing great value renewable energy solutions with simple, clear, outstanding service. The Directors are pleased with the progress made during the year and highlights include:

- Customer numbers have grown to approximately 220,000 (Mar-2021) from 186,000 (Mar-2020).
- During the year, the Company made an operating loss due to a difficult trading environment with increased competition and investment in customer's growth as part of director's long-term strategy.
- So Energy continues to be recognised as one of the market leaders for customer service.
- The business continues to make progress in offering new products and services to customers, including the installation of Solar and Batteries to help customers produce and store their own green electricity to reduce their carbon footprint.

COVID-19

Since the start of the COVID-19 pandemic, So Energy's priority has been to provide continuation of service for its customers whilst ensuring the safety of our staff. As a result of our flexible technology based operating platform, the Company was able to move quickly and efficiently to fully remote working for all staff and still provide outstanding service. As such, our operations have been minimally impacted by COVID-19.

There was some impact on the financial results for FY21 from COVID 19 due to:

1. Additional non-commodity costs. This is a result of a significant increase in balancing and associated costs as grid operators incurred higher costs which was distributed amongst a smaller pool of demand due to COVID business shutdowns;
2. A decrease in the ability to develop certain sales channels, install smart meters and other products such as solar panels due to lockdown restrictions; and
3. The impact on customers finances and their ability to pay has resulted in additional bad debt costs being recognised in FY21.

Nonetheless, So Energy's customer base continues to grow, and the Directors are confident that the Company is well positioned with its efficient and low operating cost model alongside award winning levels of customer service, to be successful in the longer term once these shorter term issues abate.

Principal risks and uncertainties

Price Cap

The Company operates in the GB energy retail market where Ofgem have in place a safeguard tariff ('price cap') for customers on variable tariffs. Ofgem has introduced changes in the price cap review mechanism. The price cap will be reviewed on a quarterly basis from October 2022 onwards. This methodology change will reduce the risk of underlying wholesale cost component of the price cap not being adjusted over a longer time horizon. As a result of this change, the tariff levels will more accurately reflect the underlying wholesale costs.

Competition

The Company operates in a highly competitive industry. The Directors believe that the Company is well positioned to compete effectively given its strong level of customer service recognised by its outstanding Trustpilot rating and relevant industry awards and its efficient operating model.

The other key risks facing the Company include:
- Market risk in relation to commodity risk exposure
- Credit risk in relation to its customers and suppliers
- Liquidity risk

The other key risks facing the Company include the financial risks set out below.

Key performance indicators

The Directors and the management team use several financial and non-financial KPIs in order to effectively manage the business and deliver the Company's strategic objectives. These include the financial performance metrics outlined under the Business review as well as non-financial metrics such as customer numbers and the Company's customer satisfaction levels through its Trustpilot scores and reviews.

Streamlined Energy and Carbon Reporting Framework Regulations

So Energy are subject to the Streamlined Energy and Carbon Reporting Framework Regulations (SECR). The methodology used is the UK Government GHG conversion factors for Company reporting as set out by BEIS for 2021.

For Scope 1 emissions, So Energy's usage is zero as So Energy have no equipment or assets that generate emissions directly (as below our offices do not use natural gas and we have no company cars).

Scope 2 emissions are solely comprised of purchased electricity for So Energy's offices. So Energy has no natural gas usage at these offices.

Energy Usage	**1st April 2020 to 31st March 2021**	**1st April 2019 to 31st March 2020**
Electricity purchased	59,700 kWh	116,338 kWh

Streamlined Energy and Carbon Reporting Framework Regulations (continued)

Associated Greenhouse gas emissions

Tonnes CO2e	**1st April 2020 to 31st March 2021**	**1st April 2019 to 31st March 2020**
Scope 1	0	0
Scope 2	12.68	27.1
Total Tonnes CO2e	**12.68**	**27.1**

Calculated as 0.21233 (*2020: 0.23313*) KG CO2e per kWh of purchased electricity.

Intensity ratio

Tonnes of CO2e per employee based on the average number employees during the year (218) – 0.06 tonnes of CO2e per employee per annum (*2020: 132 - 0.21 tonnes of CO2e per employee per annum*).

Energy efficiency actions

A key part of So Energy strategy is to help customers achieve net zero by supplying them with renewable energy (electricity) and providing new services such as solar panels and batteries that help reduce grid consumption. The Company also purchases its office electricity (where it has direct control of supply) from renewable suppliers.

Section 172 Statement of compliance with duty to promote the success of the Company

The Directors of So Energy Trading Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006 ("the Act") in the Strategy pursued and the decisions made during the year ended 31 March 2021 and subsequently.

In particular, our Business Plan is designed to have a long-term beneficial impact on the Company and to contribute to its success in delivering:

- First and foremost, best-in-class customer service to promote customer loyalty and attract new customers;
- A highly efficient operating model with scalable technology in order to deliver this service at the lowest possible cost; and
- The development of new products and services that help our customers reduce their carbon footprint.

In preparing the Company's Business Plan and related strategic decisions, the Directors take into account the interests of our stakeholders, including the Company's employees, suppliers, customers, industry regulators and the communities and environments we operate in.

Our employees are crucial to the delivery of our plan and we aim to be a responsible employer in our approach to the pay and benefits our employees receive. Moreover, the health, safety and well-being of our employees is one of our primary considerations in the way we do business.

Our plan was informed by engagement with our customers, enabling us to gain an understanding of their views and priorities and needs.

We also aim to act responsibly and fairly in how we engage with our suppliers; our credit providers; and our regulators; all of whom are integral to the successful delivery of our plan.

Section 172 Statement of compliance with duty to promote the success of the Company (continued)

As the Board of Directors, our intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating with high standards of business conduct and governance.

The Company's intention is to consider and treat all stakeholders fairly and respectfully when taking decisions and determining the Strategy and developing Business Plans.

Financial and risk management objective and policies

The main risks arising from the business financial instruments are market risk (mainly from commodity price risk), credit risk and liquidity risk. The way in which these risks are managed is summarised below:

Market risk

Commodity risk is the exposure that the Company has to price movements in the wholesale electricity and gas markets. The risk is mainly that the market price for commodities will fluctuate between the time that a tariff is set and the time at which the corresponding procurement cost is fixed; this may result in lower-than-expected margins or unprofitable sales. The Company is also exposed to volume risk in the form of uncertain consumption profiles arising from various factors including weather, economic climate and changes in energy consumption patterns.

The Company has an established Market Risk policy which is approved and reviewed by the Risk Committee. The Company manages commodity risk by entering into forward contracts for a variety of periods. The Company does not use derivative or other financial instruments for speculative purposes. The primary function of trading within the Company is to ensure that the customer portfolio is adequately hedged to minimise these risks.

Credit risk

Credit risk is the risk to So Energy that a customer or supplier fails to meet its contractual obligations. This arises mainly from So Energy's customer debts (customer credit risk) and from security deposits and prepayments to suppliers and distributors (supplier credit risk).

The Company manages its customer credit risk through its customer sign up process, the use of Direct Debits (very high penetration), monitoring of customer balances and usage and a dedicated Payments team and collection process for non-payment.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet is financial obligations as they fall due. Two key risks to the Company's liquidity are: 1) Mark to Market risk and 2) Unusually cold weather.

1. Mark to Market is the potential for the Company to have to place margin calls against forward commodity contracts. Such payments could be required if the wholesale energy market fell below the price of the forward contract.
2. *Unusually cold weather or other factors causing customer volumes to be much higher than anticipated could* place pressure on the Company's working capital as larger payments due to suppliers could become due before customer tariffs and collections could be adjusted. In addition, additional collateral would be required to allow additional energy to be procured in a short timeframe, which would require both cash and guarantees to be available.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Financial and risk management objective and policies (continued)

Mitigations:

Mark to market risk is mitigated through So Energy's wider wholesale trading arrangement. The Directors and management team use a combination of shorter-term daily cash flow forecasts as well as longer term business planning using sensitivity forecasting analysis to manage liquidity risk. These models are based on the continual evaluation of financial and non-financial data and are refined as appropriate. The Directors and management team use these models to manage the Company's cash resources to ensure it has sufficient funds to meet all expected demands as they fall due.

This report was approved by the board and signed on its behalf by:

S R Oscroft
Director

Date: 12/09/2022

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Directors present their report and the audited financial statements of the Company for the year ended 31 March 2021.

Principal activity

The principal activity of the Company is the supply of gas and renewable electricity to domestic customers.

Results and dividends

The loss for the year, after taxation, amounted to £15,897,243 *(2020: profit £885,694)*.

The Directors do not recommend the payment of a dividend *(2020: £Nil)*.

Directors

The Directors who served during the year, and up to the date of signing the financial statements unless otherwise stated, were as follows:

C Davies
S R Oscroft
J Walsh (appointed 26 August 2021)
S Ward (appointed 26 August 2021)
A Kelly (appointed 26 August 2021)
M Collings (appointed 26 August 2021)

Company secretaries

The Company secretaries who served during the year, and up to the date of signing the financial statements unless otherwise stated, were as follows:

B Corcoran (appointed 26 August 2021, resigned 11 January 2022)
R Gbadebo (appointed 11 January 2022)

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Directors' responsibilities statement (continued)

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 to 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.

Going concern

Notwithstanding current year losses of £15.9 million and net current liabilities position of £28.9 million, the Company's financial statements have been prepared on a going concern basis. This is on the grounds that current sources of funding at the date of signing the financial statements are adequate to meet the Company's financial requirements for a period of at least 12 months. The Company's ultimate parent undertaking, Electricity Supply Board (ESB), have also provided a letter of financial support for a period of at least 12 months from the date of signing the financial statements through the revolving credit facility put in place.

Qualifying third party indemnity provisions

During the year and up to date of this report, the Company maintained liability insurance and third-party indemnification provisions for its Directors, under which the Company has agreed to indemnify the Directors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities as Directors of the Company.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Subsequent events

On 26 August 2021, ESB Retail GB Limited entered into an agreement to purchase 76% of the Company's immediate parent SO Energy Limited in exchange for cash consideration and 24% of the share capital of ESB Energy Limited.

Energy Crisis

The wholesale price of gas has increased to unprecedented levels. The post-Covid economic ramp-up throughout the world created an increase in the demand of gas and associated spike in prices throughout the winter of 2021. In February 2022 this was followed by the Russian invasion of Ukraine which created further uncertainty around the security of supply of gas into Europe which resulted in further volatility and high prices.

The unprecedented high wholesale gas price has resulted in an energy crises which has impacted all supply businesses and customers throughout Great Britain and across Europe. Ofgem has increased the price cap for October 2022 by nearly 80% and another significant increase is expected from 1 January 2023. The increased energy prices, coupled with high inflation, is contributing to a cost of living crisis for many customers. This has created a risk that there will be an uplift in customers falling into fuel poverty and an associated risk on their ability to pay for their energy consumption.

The government has announced a number of measures including the energy bill support scheme to help minimise the impact of increase in energy prices and inflation. This scheme along with other measures will help to alleviate the increased prices burden of customers.

There have been no other significant events affecting the Company since the reporting date.

Future developments

The Directors expect the business to continue to grow as the market consolidates on the back of a large number of supplier exits as a result of the energy crises. The continuous execution of the Company's mission to provide customers with great value renewable energy and a simple, clear and outstanding service will result in the consolidation of existing customer's portfolio along with acquiring new customers. In addition, post acquisition of the Company by ESB Retail GB Limited, an investment is planned in new products and services that offer customers opportunities to reduce their energy bills and have a positive impact on the environment.

Auditor

The auditor, Deloitte (NI) Limited, was appointed during the year and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:

S R Oscroft
Director

Date:12/09/2022

Independent auditor's report to the members of So Energy Trading Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of So Energy Trading Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 27.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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 strategic report and directors' 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.

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

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

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud
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 considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included Companies Act 2006, UK tax legislation, Health and Safety Law; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

Revenue Recognition
- We assessed the design and determined the implementation of the key controls over the monthly review of revenue by the board; and
- We completed a substantive analytical procedure on the revenue for the year.
- We complete a test of details on the accrued revenue balance at year end
- We performed cut-off testing over revenue for pre and post-year end
- We performed testing over the valuation of deferred income balance at year end

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.

Ian Kelsall (Senior statutory auditor)
For and on behalf of Deloitte NI Limited
Statutory Auditor
Belfast
BT2 7SL
Date: 12/09/2022

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	*2020* *£*
Turnover	5	**246,785,094**	*202,121,058*
Cost of sales		**(234,424,447)**	*(183,999,562)*
Gross profit		**12,360,647**	*18,121,496*
Administrative expenses		**(28,200,008)**	*(17,129,779)*
Exceptional administrative expenses	6	**(75,000)**	*-*
Operating (loss)/profit	7	**(15,914,361)**	*991,717*
Interest receivable and similar income	12	**17,134**	*45,205*
Interest payable and similar expenses	13	**(16)**	*(151,228)*
(Loss)/profit before tax		**(15,897,243)**	*885,694*
Tax on (loss)/profit	14	**-**	*-*
(Loss)/profit for the financial year		**(15,897,243)**	*885,694*

There was no other comprehensive income for 2021 *(2020: £Nil)*.

The notes on pages 16 to 33 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note		2021 £		*As restated* *2020* *£*
Fixed assets					
Intangible assets	15		**7,465,636**		*8,955,976*
Tangible assets	16		**354,069**		*359,000*
			7,819,705		*9,314,976*
Current assets					
Debtors	17	**43,198,766**		*26,746,346*	
Cash at bank and in hand		**7,660,068**		*15,857,312*	
		50,858,834		*42,603,658*	
Creditors: amounts falling due within one year	18	**(79,770,601)**		*(57,113,453)*	
Net current liabilities			**(28,911,767)**		*(14,509,795)*
Total assets less current liabilities			**(21,092,062)**		*(5,194,819)*
Net liabilities			**(21,092,062)**		*(5,194,819)*
Capital and reserves					
Called up share capital	19,20		**1**		*1*
Profit and loss account	20		**(21,092,063)**		*(5,194,820)*
Total equity			**(21,092,062)**		*(5,194,819)*

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

S R Oscroft
Director

Date: 12/09/2022

The notes on pages 16 to 33 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2019	**1**	**(6,080,514)**	**(6,080,513)**
Comprehensive income for the year			
Profit for the year	**-**	**885,694**	**885,694**
At 1 April 2020	**1**	**(5,194,820)**	**(5,194,819)**
Comprehensive income for the year			
Loss for the year	**-**	**(15,897,243)**	**(15,897,243)**
At 31 March 2021	**1**	**(21,092,063)**	**(21,092,062)**

The notes on pages 16 to 33 form part of these financial statements.

1. General information

So Energy Trading Limited ("the Company") is a private company limited by shares and incorporated in England and Wales. Registered number: 09263295. Its registered head office is located at 107 Power Road, London, W4 5PY. The Company's principal activity is included in the Directors' report on page 6.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of So Energy Limited as at 31 March 2021 and these financial statements may be obtained from 107 Power Road, London, W4 5PY.

2.3 Going concern

Notwithstanding current year losses of £15.9 million and net current liabilities position of £28.9 million, the Company's financial statements have been prepared on a going concern basis. This is on the grounds that current sources of funding at the date of signing the financial statements are adequate to meet the Company's financial requirements for a period of at least 12 months. The Company's ultimate parent undertaking, Electricity Supply Board (ESB), have also provided a letter of financial support for a period of at least 12 months from the date of signing the financial statements through the revolving credit facility put in place.

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Energy supply revenue is recognised on the basis of electricity and gas supplied during the period. This includes an estimate of the sales value of energy supplied to customers between the date of the last meter reading and the year end.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

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

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

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

2. Accounting policies (continued)

2.8 Foreign currency translation

Functional and presentation currency

The Company's functional and presentation currency is GBP, and amounts included in these financial statements are rounded to the nearest pound.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.9 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.10 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Customer acquisitions	-	3 years
Renewable obligation certificates	-	Not amortised

2. Accounting policies (continued)

2.12 Tangible fixed assets

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

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	33% straight line
Computer equipment	-	33% straight line
Smart meter	-	33% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Debtors

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

2.14 Cash and cash equivalents

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

2.15 Creditors

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

2.16 Financial instruments

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

2. Accounting policies (continued)

2.16 Financial instruments (continued)

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

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives and hedging
The Company uses commodity purchase contracts to hedge its exposures to fluctuations in gas and electricity commodity prices. When commodity purchase contracts have been entered into as part of the Company's normal business activity, the Company classifies them as 'own use' contracts and outside of FRS102.12. This is achieved when:

- Physical delivery takes place under all such contracts;
- The volumes purchased or sold under the contracts corresponds to the Company's operating requirements; and
- The contracts are not considered as written options as defined by the Standard.

Commodity purchase contracts not qualifying as 'own use' which also meet the definition of a derivative are treated as derivative financial instruments. This includes both financial and non-financial contracts.

Derivatives and other financial instruments are measured at fair value on the contract date and are remeasured to fair value at the subsequent reporting dates. Changes in the fair value of derivatives are recognised in profit or loss as they arise.

2. Accounting policies (continued)

2.17 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

3. Judgements in applying accounting policies 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.

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

Classification of commodity purchase contracts

It is necessary for the Directors to assess whether commodity purchase contracts are for "own use" in the Company's normal course of business, or whether they are derivative financial instruments. The Directors believe that all such contracts held at 31 March 2021 and 31 March 2020 fulfil the requirements to qualify as "own use".

Deferred tax assets

Deferred tax assets are only recognised when it is considered more likely than not that the Company will make future taxable profits against which the deferred tax asset can be utilised. The Directors have taken a view that it is not appropriate to recognise a deferred tax asset at the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Operating lease commitments

The Company has entered into operating leases as a lessee. The classification of such leases as operating or finance leases requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it 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.

The following are the Company's key sources of estimation uncertainty:

Revenue recognition

Revenue includes estimates of sales value of energy supplied to customers between the date of the last meter reading and the year-end. This is calculated by reference to data received through third party settlement systems, together with estimates of consumption not yet processed through settlements and selling price estimates. These estimates are sensitive to the assumptions used in determining the portion of sales not billed and not based on meter readings at the reporting date.

Bad debt provision

The Company's key bad debt risk relates to customer debt balances. This risk is mitigated by a high proportion of direct debit collections and the implementation of robust processes around non-performing debt collection.

Management calculates the bad debt provision based on historic performance of customer debt portfolio split into different groups based on the age of the debt. The calculation is reviewed on regular basis and the provision calculation is adjusted as required.

Intangible assets

The current amortisation period for customer acquisitions in Intangibles is 3 years which management consider appropriate based on available historical information involving customer retention. Management will continue evaluating the appropriateness of this as additional information is gathered.

4. Prior year adjustments

In the prior year financial statements, there was an amount of £2,435,885 incorrectly presented as prepayments and accrued income within debtors (note 17) which has been reallocated to intangible assets (note 15). The balance is made up of renewable obligation certificates and is therefore considered an intangible asset.

An amount of £18,707,614 incorrectly presented as trade creditors which has been reallocated to deferred income within creditors: amounts falling due within one year (note 18). The balance is made up of overpayments received from customers and is therefore considered as deferred income.

There was no impact on losses for the year ended 31 March 2020 or net liabilities at that date.

5. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Sales - Gas	**101,960,574**	*96,007,373*
Sales - Electricity	**144,407,301**	*105,955,068*
Sales - Other charges	**417,219**	*158,617*
	246,785,094	*202,121,058*

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	**246,785,094**	*202,121,058*

6. Exceptional items

	2021 £	2020 £
Exceptional costs in relation to sale to ESB Retail GB Limited (note 27)	**75,000**	-

7. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2021 £	2020 £
Amortisation of intangible assets	**4,022,749**	*2,369,187*
Depreciation of tangible fixed assets	**185,767**	*94,719*
Exchange differences	**1,167**	*686*
Operating lease rentals	**448,023**	*337,326*

8. Auditor's remuneration

	2021 £	*2020* *£*
Fees payable to the Company's auditor and its associates for the audit of the:		
Group's annual financial statements	**10,000**	*18,000*
Company's annual financial statements	**85,000**	*40,000*
	95,000	*58,000*

Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	**-**	*4,000*
Preparation of financial statements	**-**	*4,000*
	-	*8,000*

9. Employees

	2021 £	*2020* *£*
Wages and salaries	**7,919,290**	*4,339,166*
Social security costs	**823,529**	*442,489*
Cost of defined contribution scheme	**194,036**	*112,994*
	8,936,855	*4,894,649*

The average monthly number of employees, including the Directors, during the year was as follows:

	2021 No.	*2020* *No.*
Customer service and operations	**136**	*117*
Administration	**82**	*15*
	218	*132*

10. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	436,560	517,560
Company contributions to defined contribution pension schemes	12,600	16,562
	449,160	534,122

During the year retirement benefits were accruing to 3 Directors *(2020: 2)* in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £150,000 *(2020: £217,560)*.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £4,500 *(2020: £6,962)*.

11. Share based payments

In June 2020, the Group established a share option scheme for all employees and issued equity awarded company share option plan (CSOP) options with vesting and non-vesting conditions to employees. The vesting condition being a service condition period of three years, with an expiration period of five years from the date of grant. The non-vesting condition being an exit event, which the Directors confirm took place in August 2021. Should employees leave the Group before all conditions are met, the options are forfeited. No modifications of the share options have been made by the Company. The Company measures and recognises compensation expenses for all CSOP options based on the estimated fair value of the award on the grant date. The estimated fair value is based on the earnings approach, being earnings from the 2020 financial year as a basis for the maintainable future earnings supported with reference to the SME Index and Company sector. The compensation expense is recognised on a straight-line basis over the vesting period. The aggregate market value of shares subject to the Options proposed to be granted to each Option Holder would not exceed the £30,000 limit on the maximum value of the Company's shares subject to unexercised CSOP options held by the Option Holder at any time. No options were exercisable at the reporting date due to the exit and service condition not being met.

12. Interest receivable and similar income

	2021 £	2020 £
Other interest receivable	17,134	45,205

13. Interest payable and similar expenses

	2021 £	*2020 £*
Bank interest payable	16	*328*
Other loan interest payable	-	*139,647*
Loans from group undertakings	-	*11,253*
	16	*151,228*

14. Tax on (loss)/profit

	2021 £	*2020 £*
Current tax on profits for the year	-	-
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

14. Tax on (loss)/profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2020: lower than)* the standard rate of corporation tax in the UK of 19% *(2020: 19%)*. The differences are explained below:

	2021 £	*2020 £*
(Loss)/profit on ordinary activities before tax	**(15,897,243)**	*885,694*
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	**(3,020,476)**	*168,282*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**56,506**	*3,003*
Other permanent differences	**317**	-
Utilisation of prior year tax losses	-	*(173,111)*
Group relief	**82**	*1,826*
Movement in deferred tax not recognised	**2,963,571**	-
Total tax charge for the year	-	-

Factors that may affect future tax charges

The UK Budget 2021 announcements on 3 March 2021, included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25% from 1 April 2023. These changes were substantively enacted on 24 May 2021.

There were no other factors that may affect future tax charges.

Unrecognised deferred tax assets

The Company has an unrecognised deferred tax asset of £3,986,670 (*2020: £1,023,099*) at the reporting date made up mostly of trade losses and capital allowances. This asset has not been recognised as the Directors do not believe that there is sufficient certainty that the Company will make taxable profits in the foreseeable future.

15. Intangible assets

	As restated Renewable obligation certificates £	As restated Customer acquisitions £	Total £
Cost			
At 1 April 2020 (As restated)	2,435,885	9,435,418	11,871,303
Additions	180,477	4,787,817	4,968,294
Surrendered in year	(2,435,885)	-	(2,435,885)
At 31 March 2021	180,477	14,223,235	14,403,712
Amortisation			
At 1 April 2020	-	2,915,327	2,915,327
Charge for the year	-	4,022,749	4,022,749
At 31 March 2021	-	6,938,076	6,938,076
Net book value			
At 31 March 2021	180,477	7,285,159	7,465,636
At 31 March 2020 (As restated)	*2,435,885*	*6,520,091*	*8,955,976*

16. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Smart meter £	Total £
Cost				
At 1 April 2020	**164,329**	**274,132**	**50,000**	**488,461**
Additions	**2,213**	**178,623**	**-**	**180,836**
At 31 March 2021	**166,542**	**452,755**	**50,000**	**669,297**
Depreciation				
At 1 April 2020	**48,876**	**65,309**	**15,276**	**129,461**
Charge for the year	**52,341**	**116,761**	**16,665**	**185,767**
At 31 March 2021	**101,217**	**182,070**	**31,941**	**315,228**
Net book value				
At 31 March 2021	**65,325**	**270,685**	**18,059**	**354,069**
At 31 March 2020	*115,453*	*208,823*	*34,724*	*359,000*

17. Debtors

	2021 £	*As restated 2020 £*
Trade debtors	**19,491,851**	*9,818,312*
Other debtors	**5,340,582**	*3,850,665*
Prepayments and accrued income	**18,366,333**	*13,077,369*
	43,198,766	*26,746,346*

Trade debtors are stated after provisions for impairment of £1,911,232 *(2020: £641,296)*.

18. Creditors: amounts falling due within one year

	2021 £	*As restated* *2020* *£*
Trade creditors	**20,032,972**	*2,527,004*
Amounts owed to group undertakings	**1,030,000**	-
Other taxation and social security	**245,777**	*158,188*
Other creditors	**37,078**	*28,750*
Accruals	**38,528,629**	*35,691,897*
Deferred income	**19,896,145**	*18,707,614*
	79,770,601	*57,113,453*

Amounts owed to group undertakings are unsecured and interest free.

19. Called up share capital

	2021 £	*2020* *£*
Allotted, called up and fully paid		
1 *(2020: 1)* Ordinary share of £1	**1**	*1*

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

20. Capital and reserves

Called up share capital

Called up share capital represents the nominal value of shares issued.

Profit and loss account

Profit and loss account represents all current and prior period comprehensive (expense)/income as reported in the Consolidated Statement of Comprehensive Income.

21. Contingent liabilities

On 20 December 2019, the Company entered into a Debenture in favour of Axpo Solutions AG which granted fixed and floating charges over specified assets of the Company.

On 4 May 2020, the Company registered a Charge Deposit Deed in favour of Wales & West Utilities Limited which restricts the Company from creating further security that will rank ahead of this charge.

22. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £194,036 *(2020: £112,994)*. Contributions totalling £40,198 *(2020: £27,176)* were payable to the fund at the reporting date and are included in creditors.

23. Commitments under operating leases

At 31 March 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 **£**	*2020* *£*
Not later than 1 year	**430,674**	*375,771*
Later than 1 year and not later than 5 years	**762,330**	*1,195,128*
	1,193,004	*1,570,899*

24. Derivatives and hedging

The Company mitigates its exposure to fluctuations in commodity prices by hedging. When these contracts are initiated to fulfil the supply requirement for customers, the Company classifies them as 'own use' and outside the scope of FRS 102 sections 11 and 12. The volume of energy delivered to the Company is in line with customer usage and no contracts are entered into on a speculative basis.

25. Related party transactions

Included in Trade creditors is £Nil *(2020: £141)* owed to C Davies, a Director of the Company.

Included in Other debtors is a net receivable balance of £Nil *(2020: £2,338,641)*, from a related party via common ownership.

26. Subsequent events

On 26 August 2021, ESB Retail GB Limited entered into an agreement to purchase 76% of the Company's immediate parent SO Energy Limited in exchange for cash consideration and 24% of the share capital of ESB Energy Limited.

Energy Crisis

The wholesale price of gas has increased to unprecedented levels. The post-Covid economic ramp-up throughout the world created an increase in the demand of gas and associated spike in prices throughout the winter of 2021. In February 2022 this was followed by the Russian invasion of Ukraine which created further uncertainty around the security of supply of gas into Europe which resulted in further volatility and high prices.

The unprecedented high wholesale gas price has resulted in an energy crises which has impacted all supply businesses and customers throughout Great Britain and across Europe. Ofgem has increased the price cap for October 2022 by nearly 80% and another significant increase is expected from 1 January 2023. The increased energy prices, coupled with high inflation, is contributing to a cost of living crisis for many customers. This has created a risk that there will be an uplift in customers falling into fuel poverty and an associated risk on their ability to pay for their energy consumption.

The government has announced a number of measures including the energy bill support scheme to help minimise the impact of increase in energy prices and inflation. This scheme along with other measures will help to alleviate the increased prices burden of customers.

There have been no other significant events affecting the Company since the reporting date.

27. Controlling party

The Company's immediate parent undertaking, and ultimate parent undertaking up to 26 August 2021, is So Energy Limited, a company incorporated in England and Wales. So Energy Limited heads the smallest and largest group that prepares consolidated financial statements that include the Company drawn up to the reporting date and these financial statements may be obtained from 107 Power Road, London, W4 5PY.

From 26 August 2021, the Company's ultimate parent undertaking is Electricity Supply Board (ESB), established and operated in Ireland.

The directors consider the board of ESB to be the ultimate controlling party.