

**STRATEGIC REPORT,
REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 JUNE 2022
FOR
FOXGLOVE ENERGY SUPPLY LTD**

FOXGLOVE ENERGY SUPPLY LTD (REGISTERED NUMBER: 09689035)

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FOR THE YEAR ENDED 29 JUNE 2022**

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FOXGLOVE ENERGY SUPPLY LTD

COMPANY INFORMATION FOR THE YEAR ENDED 29 JUNE 2022

DIRECTOR:	Mr S Dowse
REGISTERED OFFICE:	16 North Mills Frog Island Leicester Leicestershire LE3 5DL
REGISTERED NUMBER:	09689035 (England and Wales)
SENIOR STATUTORY AUDITOR:	Mr W Scales FCA FMAAT
AUDITORS:	Mark J Rees LLP, Statutory Auditor Chartered Accountants Granville Hall Granville Road Leicester LE1 7RU
BANKERS:	Barclays Bank Plc Town Hall Square Leicester LE87 2BB

**STRATEGIC REPORT
FOR THE YEAR ENDED 29 JUNE 2022**

The director presents his strategic report for the year ended 29 June 2022.

As a family run business, we pride ourselves in ensuring the business runs in the right way aligned to our family values. Sustainability is at the forefront of our focus, in supplying clean energy to recruiting experienced and knowledgeable people whom want to do all they can for our valued customers. We invest in the future of our planet, whilst providing prices for energy aimed at keeping household bills as feasibly low as possible.

We are here to bring positive change for customers who value fairness, honesty and transparency. We strive to continue to deliver a reasonable, competitive price whilst maintaining a high quality service. Our TrustPilot reviews continue to be rated 'Excellent', a nod to the unwavering commitment to support our customers when they need us the most. We trust this continues to demonstrate customer confidence in our aptitude as a long standing and ethical energy supplier.

As a business we have vastly improved our risk mitigation strategy. Whilst we hope to leave the events surrounding the global pandemic behind us, including ripple effects into the energy industry alongside the communities we serve, the business has further developed resilience to guarantee continuity of both supply and service to our customers. In parallel we worked tirelessly to update our hedging strategy in order to safeguard our working capital, should global events occur again in the future.

The global energy crisis and geopolitical events has tested this strategy, we continue to head in a positive direction where we trade at prices which protect the business against extreme volatility. Where many suppliers of all sizes have unfortunately felt the extreme energy wholesale price volatility, impacting a number of suppliers to such a detriment they have ceased trading, Foxglove Energy Supply Ltd has showcased our ability to robustly navigate through this once in a generation market cycle.

Future strategy of the business is to strive in achieving high levels of customer service, investing in service resource and training across all areas of the business. There are no current plans to actively promote new customers, instead we also look to invest in systems infrastructure & CX. Once market volatility stabilises for a suitable period of time which we are comfortable with, that is the trigger point to promote our strong ability to serve. We remain committed to being a supplier of choice and will continue to invest to achieve best in class service.

**STRATEGIC REPORT
FOR THE YEAR ENDED 29 JUNE 2022**

REVIEW OF BUSINESS

In previous years we have always experienced growth, however in this financial year we saw fit to seek stabilisation with a roughly flat portfolio volume of customers. This was to safeguard working capital, reducing the risk to the business during the market volatility. We have invested in our service area within the business via training and additional employees, as an enabler to drive down wait times for customers and improve engagement through uncertain times.

Although the financial results signal a rise in turnover, this is a reflection of amplified customer prices due to the extreme uplift in energy wholesale prices which we must unfortunately, pass on. However the revised hedging strategy saw an improved year on year gross margin position which drove positive operating profit. Despite a relatively flat portfolio, we chose to invest across multiple departments which resonates in the year on year uplift of operating expenses.

Annual losses of (£0.930m) were expected and are part of our roadmap to profitability. The opportunity to be profitable was available, however the board felt that priorities laid in improving the business infrastructure. In FY23 we aim to show profitability, as part of our commitment to be a responsible energy supplier who can be relied upon by our loyal customers, esteemed colleagues and valued partners.

FINANCIAL KEY PERFORMANCE INDICATORS

The Company has had a challenging year due to the challenges posed by the Energy Crisis, experiencing both a period of growth and difficult market conditions. The company has achieved turnover of £166 million (2021: £102 million) and gross profit margins of 5.3% (2021: 1.3%). This has resulted in an operating profit of £1.5 million (2021: £3.6 million loss) and net liabilities of £6 million (2021: £5.1 million). A net loss of £930k (2021: £4 million) was achieved in the period.

Our KPI's for the year show how much we have achieved this year:

KPI's £	2022	2021
Turnover	166,352	101,504
Gross Profit	8,867	1,287
Gross Profit %	5.3	1.3
Operating Profit/(Loss)	1,525	(3,559)
Operating Profit/(Loss) %	0.9	(3.5)
Net Profit/(Loss)	(930)	(4,008)
Net Assets/(Liabilities)	(6,018)	(5,087)

NON FINANCIAL KEY PERFORMANCE INDICATORS

The Company uses a number of non financial factors to measure performance of its business segments.

Customer ratings and reviews from Trustpilot, the independent consumer review website, shows ratings of 4.5 stars out of 5.

Customer numbers are also deemed a crucial factor. For the Company customer numbers at the year end were maintained at 114k (2021: 103k).

The Company is proud of its conservational and environmentally focused culture. To showcase this, the business utilises a portfolio of 100% renewable energy sources.

**STRATEGIC REPORT
FOR THE YEAR ENDED 29 JUNE 2022**

PRINCIPAL RISKS AND UNCERTAINTIES

The directors identify, assess and manage risks associated with the Group's business objectives and strategy in the following categories;

Competition

The Company operates in highly competitive markets in the United Kingdom. It is the opinion of the directors that the Company is in a strong position due to the experience and ability of its management team, culture and the efficiency of its operations.

Liquidity and cashflow risk

The Company manages liquidity risk by ensuring that there are sufficient funds to meet amounts due to trade creditors and loan repayments. Trade debtors are managed in respect of credit and cash flow risk by regular monitoring of amounts outstanding in terms of time and credit limits and a very high penetration of direct debit collections.

The Company manages cash responsibly and operates both a daily cashflow model to monitor forecasted cashflows for up to six months in advance alongside a long range forecast model. These models are monitored and reviewed on an ongoing basis. This allows the Group to manage risk by ensuring cash is allocated appropriately and any potential shortfalls can be prepared for far in advance.

Energy commodity market risks

Movements in the energy commodities market can have a considerable impact on both its turnover and gross margin. The Company has entered into an energy commodities hedge to mitigate this risk. The Company follows a strict and sophisticated hedging policy, and manages the mark-to-market margin call risk arising from forward fuel contracts on an ongoing basis by responding efficiently to changes in wholesale prices.

The crisis in Ukraine has had a significant impact on the Energy Commodity Market with extreme price increases impacting markets globally. The company continues to follow its hedging policy to mitigate this risk.

Bad debt risk

The Company holds significant customer debtor balances, which is particularly susceptible to seasonal fluctuations. To mitigate this risk, the Company collects monthly direct debits from a very high proportion of its customers and has established a variety of debt management procedures to significantly reduce the risk of loss of payments and bad debts.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen events outside of our control.

**STRATEGIC REPORT
FOR THE YEAR ENDED 29 JUNE 2022**

SECTION 172(1) STATEMENT

The board of directors have complied with their S172 Companies Act 2006 duties during the period by initially identifying the main types of stakeholders in the business. In doing this we have considered our impact on stakeholders including our position on the environment.

One of the key stakeholder groups is our employee base and throughout the year we have considered the risks and adapted our policies to ensure best practice is adopted at all times. We communicate regularly with our employees to understand their opinions and to ensure we can maintain our open culture and attract and retain market leading talent.

One of our key values is understanding the importance of engaging with our customers, listening and responding to their feedback which enables us to continually improve our customer service offering.

We insist on maintaining strong relationships with our suppliers and partners to ensure that our aims and objectives are aligned in providing the best possible service to our customers.

Another key stakeholder group is that of regulatory bodies within the sector. We maintain a regular and open line of communication with various regulatory bodies, such as Ofgem, to ensure smooth operations and keep up to date with any developments in the sector.

As shown on our website, we source all electricity from 100% renewable wind farms demonstrating our commitment to protecting the environment and being a green and sustainable company.

Finally, we consider the wider community a key stakeholder and to that end we are proud to support Healing Little Hearts, a UK children's charity which specialises in providing free heart surgery (both open heart surgery and interventional cardiac catheterisation) in developing parts of the world.

Company meetings at board and group level reflect the importance of this approach and consider the key stakeholder groups in all major decisions made.

ENERGY AND EMISSIONS REPORT

In the year we took the following actions;

- 1) Review the need for travel
- 2) Considered using on-line meetings
- 3) Considered reducing electrical usage by use of 'green' policies

	2022	2021
UK energy use kWh	1,863,105,499	1,593,039,752
Associated Greenhouse gas emissions kgCO ₂ c	366,286,236	317,622,078
Intensity ratio		
Emissions per head	5,308,496	4,962,845

UK energy use covers 3 offices in Leicester and energy supplied to consumers.

Associated Greenhouse gases have been calculated using the Carbon Trust website (GHG Reporting Protocol - Corporate Standard).

FOXGLOVE ENERGY SUPPLY LTD (REGISTERED NUMBER: 09689035)

STRATEGIC REPORT FOR THE YEAR ENDED 29 JUNE 2022

FUTURE ACTIVITIES

The company will continue to invest in its market and sales activities to broaden the customer base and develop a stronger customer service offering.

ON BEHALF OF THE BOARD:

Mr S Dowse - Director

29 June 2023

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 29 JUNE 2022**

The director presents his report with the financial statements of the company for the year ended 29 June 2022.

DIVIDENDS

No dividends will be distributed for the year ended 29 June 2022.

DIRECTORS

The directors who have held office during the period from 30 June 2021 to the date of this report are as follows:

Mr KC Bastian - resigned 1 March 2022

Mrs MA Bastian - resigned 1 March 2022

Mr S Dowse - appointed 1 March 2022

POLITICAL DONATIONS AND EXPENDITURE

No political donations were made in the period.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 29 JUNE 2022**

AUDITORS

The auditors, Mark J Rees LLP, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr S Dowse - Director

29 June 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FOXGLOVE ENERGY SUPPLY LTD

Opinion

We have audited the financial statements of Foxglove Energy Supply Ltd (the 'company') for the year ended 29 June 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 June 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 director's 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 director with respect to going concern are described in the relevant sections of this report.

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FOXGLOVE ENERGY SUPPLY LTD

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 Report of the Director.

We have nothing to report in respect of the following matters where 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page seven, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FOXGLOVE ENERGY SUPPLY LTD

Auditors' 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 a Report of the Auditors 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 our procedures are capable of detecting irregularities, including fraud is detailed below:

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISA's (UK).

We obtained an understanding of the legal and regulatory frameworks applicable to the Company and industries in which it operates through our general commercial experience. We determined that the following laws and regulations were most significant: FRS 102, Companies Act 2006 and the relevant tax compliance regulations in the UK. In addition, we concluded that there are certain laws and regulations that may have an effect in the determination of the amounts and disclosures in the financial statements such as health and safety and employee related matters.

We enquired of management concerning the Company's policies and procedures relating to:

- the identification and compliance with laws and regulations
- the detection and response to the risks of fraud
- the internal controls inherent within the company to mitigate fraud risk and non-compliance to laws and regulations.

We enquired of management, whether they were aware of any instance of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

We communicated relevant laws and regulations and potential areas of fraud to all audit team members including the potential for fraud in revenue recognition through the manipulation of costs incurred on contracts. We remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We have determined that the principal risk areas where material irregularities could occur were related to posting manual journal entries to manipulate financial performance, revenue recognition, valuation of amounts recoverable on contracts and significant one-off or unusual transactions.

Our audit procedures were designed to respond in particular to these identified risks (including non compliance with laws and regulations and fraud).

Our audit procedures included but were not limited to:

- A review of calculations for turnover and sales reserves, testing average price computations to ensure that the method of calculation is appropriate and accurate and that revenue has been recognised correctly. As part of this we confirmed consumption figures to third party data.
- A review of significant estimates, critically assessing to confirm that the basis of calculation is appropriate and in line with applicable accounting standards.
- A review of laws and regulations the company is subject to, followed by compliance checks and discussion with management to ensure no instances of non compliance.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FOXGLOVE ENERGY SUPPLY LTD

- Identifying and testing journal entries, on a sample basis, to review for potential management bias or manipulation of revenue recognition.

We did not identify any matters during the course of our work that indicated non-compliance with laws and regulations or relating to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Mr W Scales FCA FMAAT (Senior Statutory Auditor)
for and on behalf of Mark J Rees LLP, Statutory Auditor
Chartered Accountants
Granville Hall
Granville Road
Leicester
LE1 7RU

29 June 2023

FOXGLOVE ENERGY SUPPLY LTD (REGISTERED NUMBER: 09689035)**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 29 JUNE 2022**

		2022	2021
	Notes	£	£
TURNOVER		166,351,955	101,504,256
Cost of sales		<u>157,484,465</u>	<u>100,217,322</u>
GROSS PROFIT		8,867,490	1,286,934
Administrative expenses		<u>7,342,359</u>	<u>4,860,540</u>
		1,525,131	(3,573,606)
Other operating income		<u>-</u>	<u>14,910</u>
OPERATING PROFIT/(LOSS)	5	1,525,131	(3,558,696)
Interest payable and similar expenses	6	<u>2,458,089</u>	<u>628,540</u>
LOSS BEFORE TAXATION		(932,958)	(4,187,236)
Tax on loss	7	<u>(2,469)</u>	<u>(179,379)</u>
LOSS FOR THE FINANCIAL YEAR		(930,489)	(4,007,857)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(930,489)</u>	<u>(4,007,857)</u>

The notes form part of these financial statements

FOXGLOVE ENERGY SUPPLY LTD (REGISTERED NUMBER: 09689035)**BALANCE SHEET**
29 JUNE 2022

	Notes	2022 £	£	2021 £	£
ASSETS					
FIXED ASSETS					
Intangible assets	8		203,920		367,055
Tangible assets	9		541		2,566
Investments	10		<u>2</u>		<u>2</u>
			204,463		369,623
CURRENT ASSETS					
Debtors	11	38,461,302		21,369,938	
Cash at bank		<u>12,745,992</u>		<u>1,211,647</u>	
			51,207,294		22,581,585
			<u>51,411,757</u>		<u>22,951,208</u>
CAPITAL, RESERVES AND LIABILITIES					
CAPITAL AND RESERVES					
Called up share capital	12	1		1	
Retained earnings	13	<u>(6,017,858)</u>		<u>(5,087,369)</u>	
SHAREHOLDERS' FUNDS			(6,017,857)		(5,087,368)
CREDITORS	14		<u>57,429,614</u>		<u>28,038,576</u>
			<u>51,411,757</u>		<u>22,951,208</u>

The financial statements were approved by the director and authorised for issue on 29 June 2023 and were signed by:

Mr S Dowse - Director

The notes form part of these financial statements

FOXGLOVE ENERGY SUPPLY LTD (REGISTERED NUMBER: 09689035)**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 JUNE 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 30 June 2020	1	(1,079,512)	(1,079,511)
Changes in equity			
Total comprehensive income	-	(4,007,857)	(4,007,857)
Balance at 29 June 2021	<u>1</u>	<u>(5,087,369)</u>	<u>(5,087,368)</u>
Changes in equity			
Total comprehensive income	-	(930,489)	(930,489)
Balance at 29 June 2022	<u>1</u>	<u>(6,017,858)</u>	<u>(6,017,857)</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 JUNE 2022**

1. STATUTORY INFORMATION

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

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

2. STATEMENT OF COMPLIANCE

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

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 33.7.

Preparation of consolidated financial statements

The financial statements contain information about Foxglove Energy Supply Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Bastian Plc, Northbridge Place, Frog Island, Leicester, Leicestershire, United Kingdom, LE3 5DH.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Significant judgements and estimates

The preparation of the financial statements requires the use of certain accounting estimates, as detailed in the accounting policies. It also requires management to exercise judgement in the process of applying the accounting policies.

The directors are required to make judgements, estimates and assumptions in respect of the carrying amounts 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 relevant. These estimates and their underlying assumptions are reviewed on an ongoing basis. The key sources of estimation uncertainty are detailed below.

Revenue recognition

Revenue includes an estimate of the sales value of units supplied to customers between the date of the last meter reading and the period 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 based on meter readings at the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 29 JUNE 2022**

3. ACCOUNTING POLICIES - continued

Turnover

Revenue is recognised on the basis of electricity and gas supplied during the year. Revenue includes an estimate of the sales value of units supplied to customers between the date of the last meter read and year end date. This estimate is based on the latest data provided by the industry at a certain point in time and takes into account seasonal variations and usage patterns. Revenue is recognised net of sales discounts, VAT and climate change levy.

Turnover includes the directors' best estimate of differences between estimated sales and billed sales. All actual metered consumption data related to customer's electricity consumption received by the end of the period has been reflected in turnover. The estimated consumption data is revised over a fourteen month settlement period.

Any unbilled revenue is included in trade revenue, net of related provisions, to the extent that it is considered recoverable. Accrued revenue supplied since the last billing date is recognised in the balance sheet and is only netted off against deferred income once it can be matched against specific customer payments.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development costs are being amortised evenly over their estimated useful life of five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 20% on cost

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation decrease. All other impairment losses are recognised in profit and loss.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Financial instruments

Derivative financial instruments are recognised using a valuation technique with material movements being recognised in the profit and loss in the relevant period. Outstanding material derivatives at reporting date are included under the appropriate format heading in debtors or creditors depending on the nature of the derivative.

The company has a risk management strategy in place and the energy commodities risk arising from fluctuating energy requirements and market prices is hedged.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 29 JUNE 2022**

3. ACCOUNTING POLICIES - continued**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

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.

Creditors

Short term trade 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.

Going concern

The financial statements have been prepared on the going concern basis. The industry the company operates in is volatile and heavily reliant on estimates. Accordingly, the directors have analysed the going concern status in detail. This analysis, along with confirmed support from group companies, has allowed the directors to conclude there is no material uncertainty in relation to going concern.

There is currently a Provisional Order in place, issued by Ofgem, which restricts the company from all sales, marketing and customer acquisition activity which includes the acquisition of any new domestic customers or upgrading of all existing customers to dual fuel. The Provisional order also restricts the company from making any payment, providing any loan or transferring any asset to any third party unless that payment, loan or transfer is one that the company is required to make by virtue of a legal requirement or is essential to the company's operation as a supplier of gas and electricity to consumers. Although all indications suggest the Provisional Order will be released.

4. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	1,890,209	1,589,371
Social security costs	181,034	136,188
Other pension costs	31,356	27,230
	<u>2,102,599</u>	<u>1,752,789</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 29 JUNE 2022****4. EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	2022	2021
Directors	2	2
Operations	51	50
Administration	16	12
	<u>69</u>	<u>64</u>

	2022	2021
	£	£
Directors' remuneration	<u>47,000</u>	<u>-</u>

5. OPERATING PROFIT/(LOSS)

The operating profit (2021 - operating loss) is stated after charging:

	2022	2021
	£	£
Depreciation - owned assets	2,701	3,306
Development costs amortisation	163,135	163,136
Auditors remuneration	8,500	8,500
Auditors' remuneration for non audit work	<u>45,207</u>	<u>56,870</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Loan interest	<u>2,458,089</u>	<u>628,540</u>

Interest was paid on an intercompany loan at market rate.

7. TAXATION**Analysis of the tax credit**

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

	2022	2021
	£	£
Current tax:		
UK corporation tax	(2,469)	-
Prior year		
UK corporation tax	-	(177,177)
Total current tax	<u>(2,469)</u>	<u>(177,177)</u>
Deferred taxation	-	(2,202)
Tax on loss	<u>(2,469)</u>	<u>(179,379)</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 29 JUNE 2022**

7. TAXATION - continued

Reconciliation of total tax credit included in profit and loss

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

	2022 £	2021 £
Loss before tax	<u>(932,958)</u>	<u>(4,187,236)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	<u>(177,262)</u>	<u>(795,575)</u>
Effects of:		
Expenses not deductible for tax purposes	413	565
Capital allowances in excess of depreciation	-	(1,574)
Depreciation in excess of capital allowances	385	-
Utilisation of tax losses	-	177,177
Adjustments to tax charge in respect of previous periods	(2,469)	(177,177)
Tax losses surrendered to group	<u>176,464</u>	<u>617,205</u>
Total tax credit	<u>(2,469)</u>	<u>(179,379)</u>

8. INTANGIBLE FIXED ASSETS

	Development costs £
COST	
At 30 June 2021 and 29 June 2022	<u>815,678</u>
AMORTISATION	
At 30 June 2021	448,623
Amortisation for year	<u>163,135</u>
At 29 June 2022	<u>611,758</u>
NET BOOK VALUE	
At 29 June 2022	<u>203,920</u>
At 29 June 2021	<u>367,055</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 29 JUNE 2022**

9. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 30 June 2021	16,531
Additions	<u>676</u>
At 29 June 2022	<u>17,207</u>
DEPRECIATION	
At 30 June 2021	13,965
Charge for year	<u>2,701</u>
At 29 June 2022	<u>16,666</u>
NET BOOK VALUE	
At 29 June 2022	<u>541</u>
At 29 June 2021	<u>2,566</u>

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 30 June 2021 and 29 June 2022	<u>2</u>
NET BOOK VALUE	
At 29 June 2022	<u>2</u>
At 29 June 2021	<u>2</u>

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

Foxglove Energy Trading Limited

Registered office: 19-20 North Mills, Frog Island, Leicester, Leicestershire, England, LE3 5DH

Nature of business: Dormant

	%		
Class of shares:	holding		
Ordinary	100.00		
		2022	2021
		£	£
Aggregate capital and reserves		<u>2</u>	<u>2</u>

FOXGLOVE ENERGY SUPPLY LTD (REGISTERED NUMBER: 09689035)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 29 JUNE 2022****11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021
	£	£
Trade debtors	16,037,399	16,771,424
Amounts owed by group undertakings	13,944	7,843
Other debtors	13,970,189	1,220,287
Directors' current accounts	-	450
Taxation	177,177	177,177
VAT	539,904	89,019
Prepayments	7,722,689	3,103,738
	38,461,302	21,369,938

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
1	Ordinary	£1	<u>1</u>	<u>1</u>

13. RESERVES

	Retained earnings £
At 30 June 2021	(5,087,369)
Deficit for the year	(930,489)
At 29 June 2022	(6,017,858)

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	23,716,990	4,750,292
Amounts owed to group undertakings	345,410	6,561,438
Taxation	-	180,968
Paye/Ni payable	62,179	48,416
Other creditors	356,148	349,372
Accruals and deferred income	32,948,887	16,148,090
	57,429,614	28,038,576

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 29 JUNE 2022**

15. SECURED DEBTS

At the balance sheet date there are fixed and floating charges held over all assets of the company.

There is a limited guarantee from the directors Mr KC Bastian and Mrs MA Bastian amounting to £100,000 dated 17 February 2017.

There is a cross guarantee and debenture dated 22 June 2020 between Bastian Plc, Fischer Future Heat Group Limited, Fischer Future Heat UK Limited, Foxglove Energy Supply Limited, Foxglove Energy Trading Limited, Novorad Limited and Woodlands Installations UK Limited.

16. PENSION COMMITMENTS

The company operates a pension scheme. The assets of the scheme are held separately from those of the company within independently administered funds. The charge for the year was £31,796 (2021: £27,230). Contributions of £6,785 (2021: £5,612) were unpaid at the year end.

17. ENERGY PURCHASE COMMITMENTS

The company hedges its exposure to changes in market prices from energy purchases.

The company has committed to purchase energy totalling £14,560,138 (2021: £48,557,142).

The fair value of these forward contracts amounts to £16,388,540 (2021: £24,188,361) at the balance sheet date.

18. RELATED PARTY DISCLOSURES

During the year, a total of key management personnel compensation of £575,009 (2021: £541,332) was paid.

19. ULTIMATE PARENT COMPANY

In the directors' opinion, the company's ultimate parent company is Bastian Plc.

The registered address of Bastian Plc is Granville Hall, Granville Road, Leicester, Leicestershire, England, LE1 7RU and the group accounts can be found at Companies House, Crown Way, Cardiff, CF14 3UZ.

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