

**STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 JUNE 2020  
FOR  
FOXGLOVE ENERGY SUPPLY LTD**

**FOXGLOVE ENERGY SUPPLY LTD (REGISTERED NUMBER: 09689035)**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 JUNE 2020**

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# FOXGLOVE ENERGY SUPPLY LTD

## COMPANY INFORMATION FOR THE YEAR ENDED 29 JUNE 2020

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

**STRATEGIC REPORT  
FOR THE YEAR ENDED 29 JUNE 2020**

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The directors present their strategic report for the year ended 29 June 2020.

As a family run business, we pride ourselves on doing things the right way. Sustainability is everything to us, from supplying clean energy to making sure we have the best people doing all they can for our valued customers. We invest in the future of our planet by providing you renewable prices aimed at keeping your bills low.

We are proud to partner with Orsted, a global leader in offshore wind. Headquartered in Denmark, the company has invested £8 billion building eleven wind farms right here in the UK. A further £4 billion spend is planned by the close of 2020. Orsted is committed to ensuring sustainable growth and development and this is a vision both our companies share.

Here at Foxglove Energy Supply Limited, we are in a position to guarantee that the energy we buy on your behalf has a direct and positive impact within the United Kingdom. The electricity that we purchase from Orsted has a significant impact on the reduction of UK CO2 emissions. It also helps boost the local economy and provides hundreds of jobs in the communities where wind farms are closely situated. 100% of the electricity we supply to all our customers comes from renewable sources. In fact, not only is our electricity completely clean, it is also wholly generated from offshore UK wind farms, benefitting not only the environment but the UK economy too.

Foxglove Energy Supply Limited are here to bring positive change for customers who value fairness, honesty and loyalty. We offer a simple 'One Fair Tariff' to all our customers. Foxglove Energy Supply Limited is 'Powering The Future' by delivering the fairest and most competitive price we can.

The directors are responsible for the maintenance of the group websites [www.foxgloveenergy.co.uk](http://www.foxgloveenergy.co.uk).

**STRATEGIC REPORT  
FOR THE YEAR ENDED 29 JUNE 2020**

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**REVIEW OF BUSINESS**

The Company, having previously experienced significant growth in the energy segment of the business with a rapid rise in customer recruitment being achieved, focused on consolidating their position within the market and improving efficiency and profit margins during this period. Due to the rapid growth previously experienced there have been challenges in the customer service areas which have now been resolved and the company is continually implementing significant improvements in the customer service offering.

The results for the year and financial position of the company is as shown in the financial statements.

**FINANCIAL KEY PERFORMANCE INDICATORS**

The Company has had a successful year, maintaining a consistent level of turnover at £85.9 million (2019: £85.3 million) while improving gross profit margins substantially, increasing from 0.09% last year to 4.7% this year. This has resulted in an operating profit of £958k compared to a loss of £2.99 million last year. Net liabilities have been reduced from £1.8 million last year to £1.08 million this year. A net profit of £752k resulted in the period.

The figures quoted above, however, represent the results after the effect of commodities hedges undertaken in the year. The position of the commodities hedge does fluctuate from month to month as a result of the volatility of the energy commodities market. Separating the trading performance from the performance of the hedge, it can be seen that the trading gross profit has increased to £4.7 million from £1.39 million with a gross trading profit margin of 5.5% up from a profit margin of 1.6%. The trading operating profit has increased from a loss of £1.7 million last year to a profit of £1.6 million and the trading net profit of £1.4 million this year compares to a £1.5 million loss last year.

The Company has now settled in full the 2020 Renewables Obligation Contribution which amounted to £9.4 million. Several of the business' competitors have failed to match this obligation. The directors are pleased that this shows a positive outlook for the business.

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

<b>KPI's £</b>	<b>2020</b>	<b>2019</b>
Turnover	85,868	85,320
Gross Profit	4,069	76
Gross Profit %	4.7	0.09
Operating Profit/(Loss)	958	(2,990)
Operating Profit/(Loss) %	1.1	(3.5)
Net Profit/(Loss)	752	(2,771)
Gross Profit - excluding hedge	4,714	1,358
Gross Profit % - excluding hedge	5.5	1.6
Operating Profit - excluding hedge	1,603	(1,708)
Net Profit/(Loss) - excluding hedge	1,398	(1,489)
Derivative Asset	139	785
Net Assets/(Liabilities)	(1,080)	(1,832)

**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 4.1 stars out of 5.

Customer numbers are also deemed a crucial factor. For the Company customer numbers at the year end were maintained at 78k (2019: 78k).

**STRATEGIC REPORT  
FOR THE YEAR ENDED 29 JUNE 2020**

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

**CORONAVIRUS PANDEMIC**

From late March 2020 the COVID-19 pandemic had a significant impact on our business operations and the wider economy. With businesses across the country also closing we prepared for challenging times, during which we have maintained communication with our customers and continued to offer technical support and sales/supply lines to our customer base.

In order to manage the business through these difficult conditions we mitigated our costs by taking advantage of the Government Job Retention scheme.

**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 longer 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.

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 2020**

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**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 recent Covid-19 pandemic 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

	<b>2020</b>	<b>2019</b>
UK energy use kWh	1,260,574,311	1,159,829,360
Associated Greenhouse gas emissions kgCO <sub>2</sub> e	254,241,848	235,319,178
Intensity ratio Emissions per head	3,389,891	2,704,818

UK energy use covers 2 offices in Leicester and energy supplied to consumers.

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

**STRATEGIC REPORT  
FOR THE YEAR ENDED 29 JUNE 2020**

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**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 KC Bastian - Director

27 May 2021



**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 29 JUNE 2020**

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The directors present their report with the financial statements of the company for the year ended 29 June 2020.

**DIVIDENDS**

No dividends will be distributed for the year ended 29 June 2020.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 30 June 2019 to the date of this report.

Mr KC Bastian  
Mrs MA Bastian

**POLITICAL DONATIONS AND EXPENDITURE**

No political donations were made in the period.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

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

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

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 29 JUNE 2020**

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**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 KC Bastian - Director

27 May 2021

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

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## Opinion

We have audited the financial statements of Foxglove Energy Supply Ltd (the 'company') for the year ended 29 June 2020 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 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## 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 Directors 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 Directors have been prepared in accordance with applicable legal requirements.

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

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### **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 Directors.

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page seven, 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 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.

### **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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our 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

27 May 2021

**FOXGLOVE ENERGY SUPPLY LTD (REGISTERED NUMBER: 09689035)****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 29 JUNE 2020**

		<b>Year Ended 29.6.20 £</b>	<b>Period 1.7.18 to 29.6.19 £</b>
	<b>Notes</b>		
<b>TURNOVER</b>		<b>85,868,105</b>	<b>85,320,095</b>
Cost of sales		<b>81,799,521</b>	<b>85,244,114</b>
<b>GROSS PROFIT</b>		<b>4,068,584</b>	<b>75,981</b>
Administrative expenses		<b>3,154,105</b>	<b>3,066,170</b>
		<b>914,479</b>	<b>(2,990,189)</b>
Other operating income		<b>43,615</b>	<b>-</b>
<b>OPERATING PROFIT/(LOSS)</b>	<b>5</b>	<b>958,094</b>	<b>(2,990,189)</b>
Interest receivable and similar income		<b>1,832</b>	<b>1,647</b>
		<b>959,926</b>	<b>(2,988,542)</b>
Interest payable and similar expenses	<b>6</b>	<b>29,717</b>	<b>-</b>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<b>930,209</b>	<b>(2,988,542)</b>
Tax on profit/(loss)	<b>7</b>	<b>177,897</b>	<b>(217,859)</b>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>752,312</b>	<b>(2,770,683)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>752,312</b>	<b>(2,770,683)</b>

The notes form part of these financial statements

**FOXGLOVE ENERGY SUPPLY LTD (REGISTERED NUMBER: 09689035)****BALANCE SHEET  
29 JUNE 2020**

	Notes	2020 £	£	2019 £	£
<b>ASSETS</b>					
<b>FIXED ASSETS</b>					
Intangible assets	8		<b>530,191</b>		693,326
Tangible assets	9		<b>5,872</b>		9,178
Investments	10		<u><b>2</b></u>		<u><b>2</b></u>
			<b>536,065</b>		702,506
<b>CURRENT ASSETS</b>					
Debtors	11	<b>16,341,325</b>		11,703,849	
Cash at bank		<u><b>3,092,937</b></u>		<u><b>1,474,810</b></u>	
			<b>19,434,262</b>		13,178,659
			<u><b>19,970,327</b></u>		<u><b>13,881,165</b></u>
<b>CAPITAL, RESERVES AND LIABILITIES</b>					
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12	<b>1</b>		<b>1</b>	
Retained earnings	13	<u><b>(1,079,512)</b></u>		<u><b>(1,831,824)</b></u>	
<b>SHAREHOLDERS' FUNDS</b>			<b>(1,079,511)</b>		<b>(1,831,823)</b>
<b>PROVISIONS FOR LIABILITIES</b>	14		<b>2,202</b>		1,600
<b>CREDITORS</b>	15		<u><b>21,047,636</b></u>		<u><b>15,711,388</b></u>
			<u><b>19,970,327</b></u>		<u><b>13,881,165</b></u>

The financial statements were approved by the Board of Directors and authorised for issue on 27 May 2021 and were signed on its behalf by:

Mr KC Bastian - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 29 JUNE 2020**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1 July 2018</b>	1	938,859	938,860
<b>Changes in equity</b>			
Total comprehensive income	-	(2,770,683)	(2,770,683)
<b>Balance at 29 June 2019</b>	1	(1,831,824)	(1,831,823)
<b>Changes in equity</b>			
Total comprehensive income	-	752,312	752,312
<b>Balance at 29 June 2020</b>	1	(1,079,512)	(1,079,511)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 JUNE 2020**

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**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.



**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 29 JUNE 2020**

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**3. ACCOUNTING POLICIES - continued**

**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.

**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.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 29 JUNE 2020**

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**3. ACCOUNTING POLICIES - continued**

**Government grants**

During the year the company received monies under the Coronavirus Job Retention Scheme. The amounts received are included within the accounts on an accruals basis.

**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.

**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.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 29 JUNE 2020**

**3. ACCOUNTING POLICIES - continued**

**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.

**4. EMPLOYEES AND DIRECTORS**

	Year Ended 29.6.20 £	Period 1.7.18 to 29.6.19 £
Wages and salaries	1,542,230	1,497,790
Social security costs	111,473	93,942
Other pension costs	22,218	16,745
	<u>1,675,921</u>	<u>1,608,477</u>

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

	Year Ended 29.6.20	Period 1.7.18 to 29.6.19
Directors	2	2
Operations	61	73
Administration	<u>12</u>	<u>12</u>
	<u>75</u>	<u>87</u>

	Year Ended 29.6.20 £	Period 1.7.18 to 29.6.19 £
Directors' remuneration	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 29 JUNE 2020**

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

The operating profit (2019 - operating loss) is stated after charging:

	Year Ended 29.6.20	Period 1.7.18 to 29.6.19
	£	£
Depreciation - owned assets	3,306	3,306
Development costs amortisation	163,135	122,352
Auditors remuneration	8,250	8,250
Auditors' remuneration for non audit work	<u>54,050</u>	<u>70,750</u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	Year Ended 29.6.20	Period 1.7.18 to 29.6.19
	£	£
Loan	<u>29,717</u>	<u>-</u>

Interest was paid on an intercompany loan at market rate.

**7. TAXATION**

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit for the year was as follows:

	Year Ended 29.6.20	Period 1.7.18 to 29.6.19
	£	£
Current tax:		
UK corporation tax	177,295	-
Prior year		
UK corporation tax	-	(217,262)
Total current tax	<u>177,295</u>	<u>(217,262)</u>
Deferred taxation	602	(597)
Tax on profit/(loss)	<u>177,897</u>	<u>(217,859)</u>

UK corporation tax has been charged at 19% (2019 - 19%).

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 29 JUNE 2020**

**7. TAXATION - continued**

**Reconciliation of total tax charge/(credit) included in profit and loss**

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

	Year Ended 29.6.20 £	Period 1.7.18 to 29.6.19 £
Profit/(loss) before tax	<u>930,209</u>	<u>(2,988,542)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	176,740	(567,823)
Effects of:		
Expenses not deductible for tax purposes	-	704
Depreciation in excess of capital allowances	1,188	-
Utilisation of tax losses	(31)	355,229
Adjustments to tax charge in respect of previous periods	-	(217,262)
Tax losses surrendered to group	-	211,293
Total tax charge/(credit)	<u>177,897</u>	<u>(217,859)</u>

**8. INTANGIBLE FIXED ASSETS**

	Development costs £
<b>COST</b>	
At 30 June 2019 and 29 June 2020	<u>815,678</u>
<b>AMORTISATION</b>	
At 30 June 2019	122,352
Amortisation for year	<u>163,135</u>
At 29 June 2020	<u>285,487</u>
<b>NET BOOK VALUE</b>	
At 29 June 2020	<u>530,191</u>
At 29 June 2019	<u>693,326</u>

During the previous period, costs relating to the development of the Customer Relationship Management system, an asset central to the company's sales, were capitalised.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 29 JUNE 2020**

**9. TANGIBLE FIXED ASSETS**

	<b>Fixtures and fittings £</b>
<b>COST</b>	
At 30 June 2019	
and 29 June 2020	<u>16,531</u>
<b>DEPRECIATION</b>	
At 30 June 2019	7,353
Charge for year	<u>3,306</u>
At 29 June 2020	<u>10,659</u>
<b>NET BOOK VALUE</b>	
At 29 June 2020	<u>5,872</u>
At 29 June 2019	<u>9,178</u>

**10. FIXED ASSET INVESTMENTS**

	<b>Shares in group undertakings £</b>
<b>COST</b>	
At 30 June 2019	
and 29 June 2020	<u>2</u>
<b>NET BOOK VALUE</b>	
At 29 June 2020	<u>2</u>
At 29 June 2019	<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		
		<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
Aggregate capital and reserves		<u>2</u>	<u>2</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 29 JUNE 2020**

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

	2020	2019
	£	£
Trade debtors	13,186,880	8,693,778
Amounts owed by group undertakings	7,843	4,843
Other debtors	916,958	24,404
Derivative asset	139,626	785,007
Taxation	217,262	217,262
VAT	116,433	-
Prepayments	1,756,323	1,978,555
	<u>16,341,325</u>	<u>11,703,849</u>

**12. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2020	2019
Number:	Class:		£	£
1	Ordinary	£1	<u>1</u>	<u>1</u>

**13. RESERVES**

	Retained earnings £
At 30 June 2019	(1,831,824)
Profit for the year	<u>752,312</u>
At 29 June 2020	<u>(1,079,512)</u>

**14. PROVISIONS FOR LIABILITIES**

	2020	2019
	£	£
Deferred tax		
Accelerated capital allowances	<u>2,202</u>	<u>1,600</u>
		<b>Deferred tax</b>
		£
Balance at 30 June 2019		1,600
Provided during year		<u>602</u>
Balance at 29 June 2020		<u>2,202</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 29 JUNE 2020****15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>3,111,283</b>	2,839,228
Amounts owed to group undertakings	<b>2,446,281</b>	1,691,135
Taxation	<b>177,355</b>	225,839
Paye/Ni payable	<b>22,852</b>	24,875
VAT	<b>-</b>	77,173
Other creditors	<b>269,232</b>	206,180
Accruals and deferred income	<b>15,020,633</b>	10,646,958
	<b>21,047,636</b>	15,711,388

**16. 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.

**17. 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 £22,218 (2019: £16,745). Contributions of £4,053 (2019: £4,135) were unpaid at the year end.

**18. ENERGY PURCHASE COMMITMENTS**

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

The company has committed to purchase energy totalling £1,951,718 (2019: £10,013,346) and sell £Nil (2019: £Nil).

The fair value of these forward contracts amounts to £139,626 (2019: £785,007) at the balance sheet date.

**19. RELATED PARTY DISCLOSURES**

During the year, a total of key management personnel compensation of £357,052 (2019: £326,122) was paid.

**20. ULTIMATE PARENT COMPANY**

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

The registered address of Bastian Plc is Northbridge Place, Frog Island, Leicester, Leicestershire, United Kingdom, LE3 5DH and the group accounts can be found at Companies House, Crown Way, Cardiff, CF14 3UZ.



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