

MAYFOURTH HOLDINGS LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

MAYFOURTH HOLDINGS LIMITED

Contents

Company Information	<u>1</u>
Strategic Report	<u>2</u>
Directors' Report	<u>3</u>
Statement of Directors' Responsibilities	<u>4</u>
Independent Auditor's Report	<u>5 to 7</u>
Consolidated Profit and Loss Account	<u>8</u>
Consolidated Balance Sheet	<u>9</u>
Balance Sheet	<u>10</u>
Consolidated Statement of Changes in Equity	<u>11</u>
Statement of Changes in Equity	<u>12</u>
Consolidated Statement of Cash Flows	<u>13</u>
Notes to the Financial Statements	<u>14 to 26</u>

MAYFOURTH HOLDINGS LIMITED

Company Information

Directors D A Coombs
G R Styles

Company secretary P Jethwa

Registered office 300 Pavilion Drive
Northampton
NN4 7YE

Auditors Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

MAYFOURTH HOLDINGS LIMITED

Strategic Report for the Year Ended 31 March 2023

The directors present their strategic report for the year ended 31 March 2023.

Principal activity

Mayfourth Holdings Limited acts as a holding company for the Group.

Mayfourth Holdings Limited and its subsidiaries (the Group) operates in the commercial energy market as an intermediary between sales brokers and energy suppliers, and is the largest dedicated aggregator of commercial sales contracts in this marketplace.

Fair review of the business

The results for the year, which are set out in the profit and loss account, show turnover of £20,234,262 (2022 - £19,270,858) and an operating profit before exceptional items of £382,908 (2022 - £285,562). At 31 March 2023, the group had net liabilities of £2,197,880 (2022 - £2,052,500).

Having suffered losses after exceptional items in the previous 2 years due to the impact of lockdown on the energy industry as a whole, the results reflect a strong recovery to profitability. With expected continued stability in the industry, the directors consider the group to be in a good position going forward with significant revenue in the pipeline and the ability to generate strong results from the existing customer base and ongoing business development.

Principal risks and uncertainties

The Board considers the principal risks and uncertainties facing the business to be:

- Regulatory and statutory changes and compliance
- Customer service levels and broker performance
- System reliability
- Exposure to volatility in the energy market
- Recruitment and retention of adequately skilled staff

Financial key performance indicators

The directors of the Group monitor its performance by reference to the following indicators:

Net asset position - Net (liabilities) / assets at the Balance Sheet date amounted to £2,197,880 net liabilities (2022 - £2,052,500 net liabilities).

Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA) adjusting for exceptional costs - the Group achieved EBITDA of £1,208,438 (2022 - £1,099,189).

Approved by the Board on 27 March 2024 and signed on its behalf by:

D A Coombs
Director

MAYFOURTH HOLDINGS LIMITED

Directors' Report for the Year Ended 31 March 2023

The directors present their report and the for the year ended 31 March 2023.

Directors of the company

The directors who held office during the year were as follows:

D A Coombs

G R Styles

Financial instruments

Objectives and policies

The group is exposed to the usual credit and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that price and liquidity risks are minimised by the predetermination of the company funding facilities and terms. The board constantly monitors the company's trading results and revise projections as appropriate to ensure that the company can meet its future obligations as they fall due.

Price risk, credit risk, liquidity risk and cash flow risk

The group has sufficient resources available and the directors have prepared forecasts for the next 12 months that indicate that this will continue to be the case and that these cash flows will be sufficient for the company to meet its financing commitments as they fall due. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

Future developments

Future developments will see continued focus on further development of the customer portal functionality which will facilitate growth in the customer base and contract volumes. In addition, further opportunities to be considered will arise through product expansion and leveraging the software platform.

Following the impact of the Covid-19 pandemic and the increased volatility in the energy wholesale market due to the Ukraine war, the market has settled due to a number of factors. As a result, trading has recovered towards pre-lockdown levels and, given no further significant market shocks, a strong performance is anticipated for the year. Government guidelines have continued to be followed at all times and therequisite risk assessments and safe working practices implemented.

Disclosure of information to the auditor

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

Hazlewoods LLP have expressed their willingness to continue in office.

Approved by the Board on 27 March 2024 and signed on its behalf by:

D A Coombs
Director

MAYFOURTH HOLDINGS LIMITED

Statement of Directors' Responsibilities

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

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

- select suitable accounting policies and 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MAYFOURTH HOLDINGS LIMITED

Independent Auditor's Report to the Members of Mayfourth Holdings Limited

Opinion

We have audited the financial statements of Mayfourth Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, 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 group's and the parent company's affairs as at 31 March 2023 and of the group's 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 auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

Emphasis of matter

The group has made a loan of £5,127,107 (2022 - £3,831,013) to a company under common control, Zellar Limited. The directors consider there to be no impairment of the loan and have received cash flow forecasts that indicate the loan will be recoverable. However this conclusion is based on the expected future operating cash flows, which due to the early stages of the business life cycle of the recipient company are inherently uncertain. Due to the quantum of the loan advance, any impairment of the loan would potentially be material to the group's financial statements. Our audit opinion is not qualified in this respect, but we consider the issue to be of sufficient importance to bring it to the attention of the users of the financial statements.

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 group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

- 5 -

MAYFOURTH HOLDINGS LIMITED

Independent Auditor's Report to the Members of Mayfourth Holdings Limited

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 and the Directors' Report.

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

Extent to which the audit was 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 framework 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, including the UK Companies Act and tax legislation, and, those that 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.

MAYFOURTH HOLDINGS LIMITED

Independent Auditor's Report to the Members of Mayfourth Holdings Limited

In common with all audits conducted in accordance with ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override of controls. 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 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 misstatements due to fraud;
- enquiring of management 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.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Simon Worsley (Senior Statutory Auditor)

For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House

Bayshill Road

Cheltenham

GL50 3AT

27 March 2024

MAYFOURTH HOLDINGS LIMITED

Consolidated Profit and Loss Account for the Year Ended 31 March 2023

	Note	2023 £	2022 £
Turnover	<u>3</u>	20,234,262	19,270,858
Cost of sales		<u>(15,525,047)</u>	<u>(14,465,698)</u>
Gross profit		4,709,215	4,805,160
Administrative expenses		(4,326,307)	(4,525,077)
Exceptional administrative expenses	<u>6</u>	-	(1,503,095)
Other operating income	<u>4</u>	-	<u>5,479</u>
Operating profit/(loss)	<u>5</u>	382,908	(1,217,533)
Interest payable and similar charges	<u>7</u>	<u>(411,742)</u>	<u>(195,617)</u>
Loss before tax		(28,834)	(1,413,150)
Taxation	<u>11</u>	<u>(116,546)</u>	<u>137,127</u>
Loss for the financial year		<u><u>(145,380)</u></u>	<u><u>(1,276,023)</u></u>
Profit/(loss) attributable to:			
Owners of the company		<u><u>(145,380)</u></u>	<u><u>(1,276,023)</u></u>

The above results were derived from continuing operations.

The group has no other comprehensive income for the year.

The notes on pages 14 to 26 form an integral part of these financial statements.

MAYFOURTH HOLDINGS LIMITED

(Registration number: 10204867)

Consolidated Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	<u>12</u>	2,291,460	2,950,300
Tangible assets	<u>13</u>	43,530	43,960
Investments	<u>14</u>	5,415,510	4,119,416
		<u>7,750,500</u>	<u>7,113,676</u>
Current assets			
Debtors	<u>15</u>	14,528,780	14,478,636
Cash at bank and in hand		<u>1,357,854</u>	<u>902,484</u>
		15,886,634	15,381,120
Creditors: Amounts falling due within one year	<u>16</u>	<u>(18,212,868)</u>	<u>(15,821,886)</u>
Net current liabilities		<u>(2,326,234)</u>	<u>(440,766)</u>
Total assets less current liabilities		5,424,266	6,672,910
Creditors: Amounts falling due after more than one year	<u>16</u>	<u>(7,429,592)</u>	<u>(8,532,856)</u>
Provisions for liabilities	<u>18, 11</u>	<u>(192,554)</u>	<u>(192,554)</u>
Net liabilities		<u>(2,197,880)</u>	<u>(2,052,500)</u>
Capital and reserves			
Called up share capital	<u>20</u>	92,632	92,632
Capital redemption reserve	<u>21</u>	212,209	212,209
Merger relief reserve	<u>21</u>	394,252	394,252
Profit and loss account	<u>21</u>	<u>(2,896,973)</u>	<u>(2,751,593)</u>
Total equity		<u>(2,197,880)</u>	<u>(2,052,500)</u>

Approved and authorised by the Board on 27 March 2024 and signed on its behalf by:

D A Coombs
Director

The notes on pages 14 to 26 form an integral part of these financial statements.

MAYFOURTH HOLDINGS LIMITED

(Registration number: 10204867)
 Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	<u>14</u>	<u>8,293,700</u>	<u>8,293,700</u>
Current assets			
Debtors	<u>15</u>	28,177	1
Creditors: Amounts falling due within one year	<u>16</u>	<u>(3,849,392)</u>	<u>(3,656,987)</u>
Net current liabilities		<u>(3,821,215)</u>	<u>(3,656,986)</u>
Total assets less current liabilities		4,472,485	4,636,714
Creditors: Amounts falling due after more than one year	<u>16</u>	<u>(4,007,497)</u>	<u>(4,081,150)</u>
Net assets		<u><u>464,988</u></u>	<u><u>555,564</u></u>
Capital and reserves			
Called up share capital	<u>20</u>	92,632	92,632
Capital redemption reserve		212,209	212,209
Merger relief reserve		394,252	394,252
Profit and loss account		<u>(234,105)</u>	<u>(143,529)</u>
Total equity		<u><u>464,988</u></u>	<u><u>555,564</u></u>

The company made a loss after tax for the financial year of £90,576 (2022 - loss of £129,923).

Approved and authorised by the Board on 27 March 2024 and signed on its behalf by:

D A Coombs
 Director

The notes on pages 14 to 26 form an integral part of these financial statements.

MAYFOURTH HOLDINGS LIMITED

Consolidated Statement of Changes in Equity for the Year Ended 31 March 2023 Equity attributable to the parent company

	Share capital £	Capital redemption reserve £	Merger relief reserve £	Profit and loss account £	Total £
At 1 April 2022	92,632	212,209	394,252	(2,751,593)	(2,052,500)
Loss for the year	-	-	-	(145,380)	(145,380)
At 31 March 2023	92,632	212,209	394,252	(2,896,973)	(2,197,880)

	Share capital £	Capital redemption reserve £	Merger relief reserve £	Profit and loss account £	Total £
At 1 April 2021	92,632	212,209	394,252	(1,475,570)	(776,477)
Loss for the year	-	-	-	(1,276,023)	(1,276,023)
At 31 March 2022	92,632	212,209	394,252	(2,751,593)	(2,052,500)

The notes on pages 14 to 26 form an integral part of these financial statements.

MAYFOURTH HOLDINGS LIMITED

Statement of Changes in Equity for the Year Ended 31 March 2023

	Share capital £	Capital redemption reserve £	Merger relief reserve £	Profit and loss account £	Total £
At 1 April 2022	92,632	212,209	394,252	(143,529)	555,564
Loss for the year	-	-	-	(90,576)	(90,576)
At 31 March 2023	92,632	212,209	394,252	(234,105)	464,988

	Share capital £	Capital redemption reserve £	Merger relief reserve £	Profit and loss account £	Total £
At 1 April 2021	92,632	212,209	394,252	(13,606)	685,487
Loss for the year	-	-	-	(129,923)	(129,923)
At 31 March 2022	92,632	212,209	394,252	(143,529)	555,564

The notes on pages 14 to 26 form an integral part of these financial statements.

MAYFOURTH HOLDINGS LIMITED

Consolidated Statement of Cash Flows for the Year Ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Loss for the year		(145,380)	(1,276,023)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>5</u>	691,547	693,929
Finance costs	<u>7</u>	411,742	195,617
Income tax expense	<u>11</u>	116,546	(137,127)
Foreign exchange gains/losses		-	(966)
		<u>1,074,455</u>	<u>(524,570)</u>
Working capital adjustments			
(Increase)/decrease in trade debtors	<u>15</u>	(166,690)	3,628,381
Increase/(decrease) in trade creditors	<u>16</u>	<u>1,402,353</u>	<u>(4,129,984)</u>
Cash generated from operations		2,310,118	(1,026,173)
Income taxes paid	<u>11</u>	<u>(52,146)</u>	<u>(69,479)</u>
Net cash flow from operating activities		<u>2,257,972</u>	<u>(1,095,652)</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(32,277)	(32,583)
Cash flows from financing activities			
Interest paid		(333,319)	(117,194)
Proceeds from bank borrowing draw downs		-	4,500,000
Repayment of bank borrowing		(62,489)	(2,133,176)
Loans to related party		(1,296,094)	(1,929,460)
Dividends on preference shares		<u>(78,423)</u>	<u>(78,423)</u>
Net cash flows from financing activities		<u>(1,770,325)</u>	<u>241,747</u>
Net increase/(decrease) in cash and cash equivalents		455,370	(886,488)
Cash and cash equivalents at 1 April		<u>902,484</u>	<u>1,788,972</u>
Cash and cash equivalents at 31 March		<u><u>1,357,854</u></u>	<u><u>902,484</u></u>

The notes on pages 14 to 26 form an integral part of these financial statements.

MAYFOURTH HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2023

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
300 Pavilion Drive
Northampton
NN4 7YE

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2023.

No Profit and Loss Account is presented for the company as permitted by section 408 of the Companies Act 2006. The company made a loss after tax for the financial year of £90,576 (2022 - loss of £129,923).

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

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

MAYFOURTH HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2023

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying 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 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical judgements that the directors have made in the progress of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below;

(i) Intangible assets

The directors obtained an external valuation on the intangible assets and the useful life of these assets. The directors have considered the historical valuation as well as continuing market conditions to evaluate the carrying amounts of these assets.

(ii) Fixed asset investment

The directors have undertaken an assessment of the valuation and believe the fair value is not significantly different to the cost.

(iii) Revenue

The directors make an estimate of the value of revenue recoverable on a contract based on historical trends, estimate of usage and expected future market conditions.

The directors make a judgement over the split of services rendered and delivered at the point of contract agreement compared with those services delivered over the contract period. Revenue recognition is split across these periods accordingly. This means for small and medium customers revenue is typically recognised at contract agreement. For corporate customers who have an ongoing service requirement, a proportion of revenue is recognised at contract agreement with the remaining amounts spread over the contract life and estimate of usage.

Revenue recognition

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. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied; the amount of revenue can be measured reliably; it is probable that the Company will receive the consideration due under the contract; the stage of completion of the contract at the end of the reporting period can be measured reliably; and the costs incurred and the costs to complete the contract can be measured reliably.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

MAYFOURTH HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2023

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current 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 group operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Motor vehicles	25% straight line
Fixtures and fittings	25% straight line
Computer and office equipment	20-33% straight line

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered.

MAYFOURTH HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2023

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Straight line over 10 years
Future order book	Straight line over 6 years
Current contracts	Straight line over 1.5 years

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade 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.

Trade 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.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the group has an obligation at the reporting date as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

MAYFOURTH HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2023

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

MAYFOURTH HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2023

3 Revenue

All revenue arose within the UK and relate to the group's principal activity.

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2023	2022
	£	£
Government grants	-	5,479

5 Operating profit

Arrived at after charging/(crediting)

	2023	2022
	£	£
Depreciation expense	32,707	35,089
Amortisation expense	658,840	658,840
Research and development cost	102,000	119,700
Foreign exchange gains	-	(966)
Operating lease expense - property	40,649	(14,327)

6 Exceptional items

	2023	2022
	£	£
Exceptional expenses	-	1,503,095

Exceptional costs in the prior year include bad debts written off and the write off of commissions due, net of commissions payable, from an energy provider that has gone into administration.

7 Interest payable and similar expenses

	2023	2022
	£	£
Interest on bank overdrafts and borrowings	60,377	1,859
Interest on preference shares	78,423	78,423
Interest expense on other finance liabilities	272,942	115,335
	411,742	195,617

MAYFOURTH HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2023

8 Staff costs

Group

The aggregate payroll costs (including directors' remuneration) were as follows:

	2023 £	2022 £
Wages and salaries	2,316,649	2,237,213
Social security costs	255,487	233,492
Pension costs, defined contribution scheme	69,463	63,397
	<u>2,641,599</u>	<u>2,534,102</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2023 No.	2022 No.
Managers	6	6
Sales	24	26
IT	3	2
Finance	5	4
Admin	29	28
	<u>67</u>	<u>66</u>

Company

The company incurred no staff costs and had no employees other than the directors.

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2023 £	2022 £
Remuneration	240,120	221,000
Contributions paid to money purchase schemes	12,006	11,050
	<u>252,126</u>	<u>232,050</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2023 No.	2022 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

In respect of the highest paid director:

	2023 £	2022 £
Remuneration	240,120	221,000
Contributions paid to money purchase schemes	<u>12,006</u>	<u>11,050</u>

10 Auditors' remuneration

	2023 £	2022 £
Audit of these financial statements	<u>22,500</u>	<u>22,500</u>

MAYFOURTH HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2023

11 Taxation

Tax charged/(credited) in the consolidated profit and loss account

	2023 £	2022 £
Deferred taxation		
Arising from origination and reversal of timing differences	116,546	(137,127)

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2022 - higher than the standard rate of corporation tax in the UK) of 19% (2022 - 19%).

The differences are reconciled below:

	2023 £	2022 £
Loss before tax	(28,834)	(1,413,150)
Corporation tax at standard rate	(5,478)	(268,499)
Effect of expense not deductible in determining taxable profit (tax loss)	125,180	118,846
Effect of tax losses	(28,176)	24,686
UK deferred tax credit relating to changes in tax rates or laws	-	(39,003)
Tax increase from effect of capital allowances and depreciation	25,020	26,843
Total tax charge/(credit)	116,546	(137,127)

Deferred tax

Group

Deferred tax assets and liabilities

	Asset £
2023	
Fixed asset timing differences	(17,594)
Tax losses carried forward	36,334
	18,740

	Asset £
2022	
Fixed asset timing differences	(27,228)
Tax losses carried forward	162,514
	135,286

Company

Deferred tax assets and liabilities

	Asset £
2023	
Tax losses carried forward	28,176
	28,176

MAYFOURTH HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2023

12 Intangible assets

Group

	Future order book £	Current contracts £	Goodwill £	Total £
Cost				
At 1 April 2022 and at 31 March 2023	1,127,000	508,000	4,718,398	6,353,398
Amortisation				
At 1 April 2022	844,000	508,000	2,051,098	3,403,098
Amortisation charge	187,000	-	471,840	658,840
At 31 March 2023	1,031,000	508,000	2,522,938	4,061,938
Carrying amount				
At 31 March 2023	96,000	-	2,195,460	2,291,460
At 31 March 2022	283,000	-	2,667,300	2,950,300

The aggregate amount of research and development expenditure recognised as an expense during the period is £102,000 (2022 - £119,700).

13 Tangible assets

Group

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 April 2022	261,503	338,794	600,297
Additions	170	32,107	32,277
At 31 March 2023	261,673	370,901	632,574
Depreciation			
At 1 April 2022	252,597	303,740	556,337
Charge for the year	4,605	28,102	32,707
At 31 March 2023	257,202	331,842	589,044
Carrying amount			
At 31 March 2023	4,471	39,059	43,530
At 31 March 2022	8,906	35,054	43,960

MAYFOURTH HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2023

14 Investments

Group

	2023	2022
	£	£
Unlisted investments	5,415,510	4,119,416
		£

Cost and carrying amount

At 1 April 2022	4,119,416
Additions	1,296,094
At 31 March 2023	5,415,510

The investments comprise of annuity contracts purchased from the directors of £288,403 (2022 £288,403) and a long term loan to a related party of £5,127,107 (2022 - £3,831,013). Following the year end the related party loan was formalised, with interest being due at a commercial rate from 1 January 2025 and a final repayment date for the loan of 31 December 2028.

Company

	2023	2022
	£	£
Investments in subsidiaries	8,293,700	8,293,700
		£

Cost and carrying amount

At 1 April 2022 and at 31 March 2023	8,293,700
--------------------------------------	-----------

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2023	2022
Subsidiary undertakings				
Online Direct Limited *	300 Pavilion Drive, Northampton, NN4 7YE England and Wales	Ordinary A, B & D	100%	100%
Energy Engine Limited *	300 Pavilion Drive, Northampton, NN4 7YE England and Wales	Ordinary A, B & C	100%	100%

* - indicates direct investment of Mayfourth Holdings Limited.

The principal activity of Online Direct Limited is operating in the commercial energy market as an intermediary between sales brokers and energy suppliers.

Energy Engine Limited is a dormant company.

MAYFOURTH HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2023

15 Debtors

		Group		Company	
	Note	2023 £	2022 £	2023 £	2022 £
Trade debtors		3,865,186	3,377,447	-	-
Other debtors		1,860,032	1,806,708	1	1
Prepayments and accrued income		8,784,822	9,159,195	-	-
Deferred tax assets	11	18,740	135,286	28,176	-
		<u>14,528,780</u>	<u>14,478,636</u>	<u>28,177</u>	<u>1</u>

16 Creditors

		Group		Company	
	Note	2023 £	2022 £	2023 £	2022 £
Due within one year					
Loans and borrowings	17	1,215,416	284,618	200,000	200,000
Trade creditors		1,560,411	1,684,861	-	-
Amounts due to related parties	23	-	-	3,649,392	3,456,987
Social security and other taxes		1,114,801	895,826	-	-
Outstanding defined contribution pension costs		16,251	12,142	-	-
Other creditors		1,005,704	1,042,279	-	-
Accruals and deferred income		13,208,006	11,757,735	-	-
Corporation tax liability	11	92,279	144,425	-	-
		<u>18,212,868</u>	<u>15,821,886</u>	<u>3,849,392</u>	<u>3,656,987</u>
Due after one year					
Loans and borrowings	17	3,422,095	4,415,382	-	-
Other non-current financial liabilities		4,007,497	4,117,474	4,007,497	4,081,150
		<u>7,429,592</u>	<u>8,532,856</u>	<u>4,007,497</u>	<u>4,081,150</u>

Other non-current financial liabilities include £3,921,150 (2022 - £3,921,150) of 2% cumulative preference shares. The preference shares are irredeemable and carry no voting rights.

MAYFOURTH HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2023

17 Loans and borrowings

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Current loans and borrowings				
Bank borrowings	1,015,416	84,618	-	-
Other borrowings	200,000	200,000	200,000	200,000
	<u>1,215,416</u>	<u>284,618</u>	<u>200,000</u>	<u>200,000</u>

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Non-current loans and borrowings				
Bank borrowings	<u>3,422,095</u>	<u>4,415,382</u>	<u>-</u>	<u>-</u>

The bank loan is secured by a cross company guarantee. The loan is repayable in 60 monthly instalments of £84,618 commencing in March 2023 and the effective interest rate on the loan is 4.75%.

18 Deferred tax and other provisions

Group

	Annuity provision
	£
At 1 April 2022 and at 31 March 2023	<u>192,554</u>

During a prior year the company received notification from HMRC regarding a settlement on an annuity scheme set up by the company. The potential amounts payable on this settlement at the previous year end was £192,554 and this amount was provided for. This settlement has been appealed by the company,

19 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £69,463 (2022 - £63,397). Contributions totalling £16,251 (2022 - £12,142) were payable to the scheme at the end of the year and are included in creditors.

20 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	5,000	5,000	5,000	5,000
Ordinary A shares of £0.001 each	78,810,575	78,811	78,810,575	78,810.58
Ordinary B shares of £0.001 each	8,822,166	8,822	8,822,166	8,822.17
	<u>87,637,741</u>	<u>92,633</u>	<u>87,637,741</u>	<u>92,633</u>

Rights, preferences and restrictions

The 3,921,150 2% cumulative preference shares are treated as debt within the Company as detailed in note 16. The various classes of ordinary share have different rights as detailed in the Articles of Association.

MAYFOURTH HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2023

21 Reserves

Group

The merger reserve was created as a result of a share for share exchange following the management buy out of Online Direct Limited and Energy Engine Limited in March 2017. It represents the excess of the fair value over the nominal value of the shares at that time.

The capital redemption reserve was created as a result of the share purchase and cancellation of ordinary shares in a prior year.

22 Obligations under leases and hire purchase contracts

Company

Operating leases

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	42,861	69,571
Later than one year and not later than five years	100,193	148,499
	<u>143,054</u>	<u>218,070</u>

23 Related party transactions

Company

Summary of transactions with key management

Key management personnel are considered to be the directors of the company and key management personnel compensation is disclosed in note 9 to the financial statements.

There are no set repayment terms and no interest accruing on the directors loan.

On 28 September 2015 Online Direct purchased an annuity contract from a former director of Online Direct for £139,584 which was used to repay the directors loan account as at 31 March 2015. Under the terms of the contract the Company will receive annual payments of £9,835 commencing on 5th April 2029 for the lifetime of the former director.

On 28 September 2015 Online Direct purchased an annuity contract from G R Styles for £148,819 which was used to repay the directors loan account as at 31 March 2015. Under the terms of the contract the Company will receive annual payments of £11,349 commencing on 5th April 2029 for the lifetime of the G R Styles.

The company is owed £1,012,662 (2022 - £1,012,662) by G R Styles, a director of the company. There are no set repayment terms and no interest accruing on the directors loan.

During the year the company lent £1,296,094 (2022 - £1,929,460) to Zellar Limited, a company controlled by the directors. The total amount receivable at the year end is £5,127,107 (2022 - £3,831,013). The loan is interest free and there are no set repayment terms. Following the year end the related party loan was formalised, with interest being due at a commercial rate from 1 January 2025 and a final repayment date for the loan of 31 December 2028.

24 Parent and ultimate parent undertaking

The ultimate controlling party is G R Styles.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.