

Colorado Energy Limited

Annual Report and Unaudited Financial Statements
for the Period from 1 December 2019 to 28 February 2021

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Colorado Energy Limited

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Colorado Energy Limited
(Registration number: 11042663)
Balance Sheet as at 28 February 2021

		2021	30 November 2019
	Note	£	£
Current assets			
Debtors		792,058	-
Cash at bank and in hand		-	10
		792,058	10
Creditors: Amounts falling due within one year		(3,582,060)	-
Net (liabilities)/assets		(2,790,002)	10
Capital and reserves			
Called up share capital	6	10	10
Profit and loss account		(2,790,012)	-
Shareholders' (deficit)/funds		(2,790,002)	10

For the financial period ending 28 February 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 9 May 2022 and signed on its behalf by:

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Olatunde Alegbe
Director

Colorado Energy Limited

Notes to the Unaudited Financial Statements for the Period from 1 December 2019 to 28 February 2021

1 General information

The company is a private company limited by share capital, incorporated in United Kingdom.

The address of its registered office is:
86-90 Paul Street
London
EC2A 4NE
England

These financial statements were authorised for issue by the Board on 9 May 2022.

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 have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

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

Going concern

The financial statements have been prepared on a going concern basis. However, due to the events outlined under note 9 Non Adjusting Events, there is significant uncertainty around the future shape of the business. The Directors continue to take professional advice regarding the possible outcomes and work to maximise the value of the assets within the company and minimise any impact on creditors

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

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.

Colorado Energy Limited

Notes to the Unaudited Financial Statements for the Period from 1 December 2019 to 28 February 2021

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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.

3 Staff numbers

The average number of persons employed by the company (including directors) during the period, was 0 (2019 - 0).

4 Debtors

	2021 £	30 November 2019 £
Other debtors	792,058	-
	<u>792,058</u>	<u>-</u>

Colorado Energy Limited

Notes to the Unaudited Financial Statements for the Period from 1 December 2019 to 28 February 2021

5 Creditors

Creditors: amounts falling due within one year

	Note	2021 £	30 November 2019 £
Due within one year			
Trade creditors		256,707	-
Amounts owed to associates	7	966,578	-
Accruals and deferred income		1,024,284	-
Other creditors		1,334,491	-
		<u>3,582,060</u>	<u>-</u>

6 Share capital

Allotted, called up and fully paid shares

	2021		30 November 2019	
	No.	£	No.	£
Ordinary Shares of £1 each	10	10	10	10

7 Related party transactions

Loans from related parties

	2021	Parent £	Total £
Advanced		966,578	966,578
At end of period		<u>966,578</u>	<u>966,578</u>

Terms of loans from related parties

The loan from the company's parent company is the balance resulting from the collection of revenues and payment of direct costs and overhead costs incurred by or on behalf of Colorado Energy Limited. It is non interest bearing and repayable on demand. The outstanding balance is secured by way of a debenture entered into between Lawdeck Limited and Colorado Energy Limited. Under the terms of the debenture, Colorado Energy Limited has granted the following security to Lawdeck Limited: 1) a first legal mortgage over all estates or interests in any freehold, leasehold or commonhold property currently owned by it, including real property; 2) a first floating rate charge over all property, assets and rights including present and future goodwill.

Colorado Energy Limited

Notes to the Unaudited Financial Statements for the Period from 1 December 2019 to 28 February 2021

8 Parent and ultimate parent undertaking

The company's immediate parent is Lawdeck Limited, incorporated in United Kingdom.

9 Non adjusting events after the financial period

Colorado Energy has acted as a retail energy supplier and gas shipper in the UK market since May 2020. Over the second half of 2021, wholesale energy costs, especially gas costs, reached levels never seen in the UK market. These cost increases caused many similar retail suppliers to exit the market (>20). Like all other suppliers, Colorado Energy Limited has been affected by a regulatory retail price cap, which restricted suppliers from passing on the escalating real cost of wholesale electricity and gas to end consumers.

Escalating wholesale costs for gas and electricity, combined with a low regulatory retail price cap, made the tariffs that Colorado could offer to its customers un-viable. In the Director's view, the company's tariffs were likely to remain un-viable for an extended period. These factors collectively led to uncertainty around the future of the retail supply business in early October 2021.

Therefore, the Directors, with the cooperation of the regulator (Ofgem) decided to exit the retail energy market through the SOLR mechanism, transferring the Company's retail customer base to another supplier. Colorado Energy has continued to operate as a gas shipper during this period.

At the time of signing, there is uncertainty as to the overall shape and trading performance of Colorado Energy due to the extreme volatility in the energy markets.

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.