Project Steel Topco Limited

Registered number: 11726410

Annual report and financial statements

For the year ended 31 December 2022

PROJECT STEEL TOPCO LIMITED

COMPANY INFORMATION

Directors	G M Wood CBE C Shaw M Robson N Baker
Registered number	11726410
Registered office	Corby Innovation Hub Bangrave Road South Corby NN17 1NN
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor One St. Peter's Square Manchester M2 3DE

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present their Strategic Report for Project Steel Topco Limited ("the Company") and its subsidiaries ("the Group") for the year ended 31 December 2022.

Business review

The principal activity of the Group is to provide small and medium sized enterprises ("SMEs") with comparison, switching and intermediary services for utilities and other services. These services are provided either directly by our own sales agents or through our sub-broker channel for whom we act as an aggregator. Utility Bidder is one of the leading providers and over the period has continued to grow with more customers using the services.

The development of the business has been achieved through;

- Seeking to provide a trusted and quality service to all of our customers;

- Only working with suppliers that will provide suitable pricing and a high standard of service to our customers; and;

- Ongoing investment in our digital and call centre channels to maintain standards for our customers.

The directors plan to maintain the Group's position as a leading provider of energy broking services through continued training and development of our sales teams and ongoing investment in our CRM and customer contact systems that support the customer journey whether via our call centres or digitally.

COVID-19

With the series of lockdowns through 2020 and 2021, as seen with many of our competitors, the Group experienced a downturn in business both in terms of commission contract volumes and average contract value. The reduction in contract volumes was seen across both our call centre and digital channels and was due to the utility suppliers no longer offering longer term contracts to our customers beyond three years and based on reduced consumptions across the SME business sector during the lockdowns, reducing the contracted levels of consumption on new contracts. Through 2022 the impact of COVID-19 has continued to unwind with the removal of lockdowns.

The Ukraine War & Energy Prices

Through late 2021 and with the outbreak of the war in Ukraine in February 2022 and the subsequent energy supply crisis through the second half of 2022, energy prices for both gas and electricity have been extremely volatile throughout the whole of this period. Consequently, there were short periods when suppliers were either unable to provide fixed term contract pricing or only fixed term contracts for short periods. Whilst these issues have at times impeded the sales growth opportunities for the year ended 31 December 2022, the directors are pleased with the way our agents have at all times sought to help secure the best possible pricing for our customers to meet their energy requirements.

Financial key performance indicators

The directors measure and monitor business performance on a weekly and monthly basis using a wide range of key performance indicators to ensure continuous improvement and progress towards achieving the annual targets and strategic objectives.

The directors believe that the following Key Performance Indicators provide the necessary measures of business performance:

- Revenue

- Growth in customer & contract numbers

- EBITDA before exceptional items

- Operating cashflow

- Customer satisfaction

1. Revenue

In spite of the lack of longer term fixed price contracts for parts of 2022, the year on year revenue for Utility Bidder Limited remained flat at £14.7 million. The revenue included increased year on year sales from our own agents (3.6.% growth) with the sub-brokers sales declining by 7.8%. The sales for 2022 included continued year on year growth of 37.0% from our digital platforms including PPC and SEO revenue activities.

2. Growth in customer & contract numbers

The growth in customer and contract numbers is an important indicator of overall growth and improving market share in addition to future revenue opportunities in providing additional services to our customers and renewing existing contracts when they come up for renewal. For the year to 31 December 2022 the number of contracts sold by Utility Bidder Limited agents increased by 9.1% year on year to 9,058 (2021: 8,302). In terms of customer accounts and meters, these indices grew year on year by 10.6% to 14,453 and by 11.6% to 20,868 respectively.

3. Adjusted proforma EBITDA before exceptional items

The directors use adjusted proforma EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) before exceptional items as this measure excludes expenditure which is one-off in nature.

The directors have disclosed the adjusted proforma EBITDA before exceptional items as they believe this provides a better understanding of the Group's underlying financial performance and is consistent with the measure used in monitoring the performance of the business.

The Group achieved adjusted proforma EBITDA before exceptional items of:

	2022	2021
	£000	£000
Operating profit/(loss)	1,094	(2,338)
Exceptional administrative expenses	(62)	3,345
Depreciation	61	90
Amortisation	1,458	1,287
Adjusted proforma EBITDA	2,551	2,384

The 6.0% increase in year on year EBITDA was due to the increase in sales mix with higher margin own agent sales in comparison to sub-broker sales.

4. Operating cashflow

The net cash generated by operating activities was £1,585k, a year on year movement of £2,762k, with a closing cash balance at 31 December 2022 of £3,079k.

During the COVID-19 lockdowns in 2020 and 2021, utility suppliers initially changed their payment terms and adjusted contract values through more frequent reconciliations using consumptions that were impacted by the lockdowns and temporary business closures. These changes to the terms of trading by the suppliers resulted in the Group experiencing lower receipts from suppliers in 2020 and 2021. During the latter part of 2021 our key suppliers reverted to their original payment terms and with the reconciliations at the end of contracts reflecting improved levels of consumptions, the Group through 2022 and 2023 has to date experienced a marked improvement in cashflow receipts.

5. Customer satisfaction

Customer satisfaction is monitored through our customer services team with measures including Trustpilot where we have consistently achieved high ratings.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Group are outlined below and include an outline of how these risks are managed and mitigated where applicable.

1. Estimation of revenue by contract & accrued revenue recoverability

The revenue recognised for each contract is based upon assumptions including an estimation of the expected future consumption for utility contracts. This estimation will have inherent uncertainty, particularly with COVID-19 and the implications of the Ukraine war and energy price crisis. This is discussed further in the revenue recognition accounting policy.

The Group has controls and processes to continually review and manage the estimation of consumption, including:

- Verification of customer's consumption levels with either the customers' or suppliers' records or industry databases,

- Stringent review of contract paperwork and supporting records prior to recording the sale,

- Regular reporting and monitoring, including exception reporting, of all the key contract matrices,

- Regular matching of cash receipts for each customer contract and follow up measures,

- Regular management review of the level of provisions - based on historic performance, supplier information and other factors.

2. Cyber-security

The Group faces the ongoing risk of being subject to a cyber security attack, which if successful, could impact operations, customer data and the goodwill of the business. Continuous investment is being made in the IT infrastructure, staff training, processes and procedures to reduce the risk and prevent cyber attacks.

3. Recruitment and retention of key management and staff

The requirement for the recruitment and retention of staff is key to the successful operation and future growth of the business.

To manage this risk, management continues to invest in the recruitment and assessment of personnel joining the Group, including induction training and development programmes as staff gain experience in their roles. Regular feedback and engagement scores are sought from every level of staff and management. Staff benefits, incentives and other initiatives are also in place to support, motivate and engender the culture within the business. This investment is reflected in the Investor in People Silver award held by the Group.

4. Strategic risks

With the COVID-19 pandemic, geopolitical uncertainties including the war in Ukraine and the energy supply crisis, all have impacted to varying levels the markets in which the Group, our suppliers, competitors and our customers operate. In addition, the general economic situation in the UK including high inflation rates will put financial pressures on the SME sector and their ability to absorb the additional costs within their businesses. The directors continually monitor the markets and liaise with key suppliers to ensure that any changes to their products can be quickly addressed. The directors will also in due course be looking to start to provide additional services to our existing customer base.

The energy broking sector in which the Group operates has been subject to regulatory review. Ofgem recently concluded its microbusiness review and introduced of the full disclosure of commissions and the Alternative Dispute Resolution process both of which have been fully welcomed by the directors and implemented in the Utility Bidder business.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

This report was approved by the board on 28 September 2023 and signed on its behalf.

M Robson
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation and minority interests, amounted to £1,613,427 (2021 - loss £3,664,036).

Directors

The directors who served during the year were:

G M Wood CBE
C Shaw
M Robson
N Baker

Economic impact of global events

UK businesses are currently facing many uncertainties such as the consequences of Brexit, Covid 19, environmental sustainability and geopolitical events such as the Russian invasion of Ukraine. These uncertainties have contributed to an environment where there exists a range of issues and risks, including inflation, rising interest rates, labour shortages, disrupted supply chains and new ways of working.

The directors have carried out an assessment of the potential impact of these uncertainties on the business, including the impact of mitigation measures and have taken account of these potential impacts in their going concern assessment.

Project Steel Topco Limited continues to work with its partners to minimise any impacts of these events and maximise the realisation of any opportunities they may provide to the business.

Going concern

The Group manages its day to day working capital requirements and the levels of cash and cash equivalents, trade debtors and creditors. As set out in the Directors' report, the Group through 2022 experienced a downturn in business with suppliers either withdrawing price books or only offering short fixed term contracts.

Despite these matters, the Group has seen recoveries in overall trading as suppliers have returned with price books and improving contract terms.

The directors regularly prepare forecasts and mitigating actions that would be taken to help manage the Group's cash positions. The Group's forecasts and projections seek to take account of changes in trading performance and working capital including the effect of the shorter term contracts, supplier consumption reconciliations and clawbacks arising from the closure of customers' businesses.

These forecasts show that the Group can continue to operate and after making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern in preparing its' financial statements. Whilst the Group has made a loss before taxation much of this is non cash and as set out within the Strategic Report, adjusted proforma EBITDA is positive.

Engagement with employees

The directors and senior managers engage with its employees continuously and in ways to suit their different working patterns. This includes:

- Monthly company wide meetings

- Line manager briefings

- Communication forums and focus groups

- Email news alerts

- Employee social media groups

Details of sales and economic factors effecting the performance of the Company are shared with all employees at the appropriate time using the methods listed above.

We provide opportunities for employees to give their feedback to the Company including from team meetings, employee forums, focus groups and online surveys.

The business also has an online learning platform with interactive courses and videos that are used for employee inductions and ongoing development of our employees.

Disclosure of information to auditor

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

• so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and

• the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

This report was approved by the board on 28 September 2023 and signed on its behalf.

M Robson
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROJECT STEEL TOPCO LIMITED

Opinion

We have audited the financial statements of Project Steel Topco Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Positions, the Consolidated and Company Statement of Changes in Equity, the 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 FRS 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 December 2022 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's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROJECT STEEL TOPCO LIMITED

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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 intend either 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Group and the Parent Company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Group and Parent Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Group and Parent Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROJECT STEEL TOPCO LIMITED

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to, revenue recognition (which we pinpointed to the cut off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit 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.

Neil Barton (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants and Statutory Auditor

One St. Peter's Square

Manchester
M2 3DE

28 September 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	4	14,723,969	14,760,060
Cost of sales		(6,654,278)	(7,198,519)
Gross profit		8,069,691	7,561,541
Administrative expenses		(7,202,949)	(6,646,531)
Exceptional administrative income/(expenses)	5	62,304	(3,345,455)
Other operating income	6	165,134	92,563
Operating profit/(loss)	7	1,094,180	(2,337,882)
Interest receivable and similar income	11	487	68
Interest payable and similar expenses	12	(2,212,021)	(2,057,141)
Loss before taxation		(1,117,354)	(4,394,955)
Tax on loss	13	(284,475)	265,835
Loss for the financial year		(1,401,829)	(4,129,120)
(Loss) for the year attributable to:			
Non-controlling interests		211,598	(465,084)
Owners of the parent Company		(1,613,427)	(3,664,036)
		(1,401,829)	(4,129,120)

The notes on pages 20 to 42 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note		2022 £		2021 £
Fixed assets					
Intangible assets	**14**		5,645,805		7,044,611
Tangible assets	**15**		98,997		87,193
			5,744,802		7,131,804
Current assets					
Debtors: amounts falling due within one year	**17**	10,655,839		10,945,680	
Cash at bank and in hand	**18**	3,079,506		2,049,370	
		13,735,345		12,995,050	
Creditors: amounts falling due within one year	**19**	(3,549,658)		(3,310,716)	
Net current assets			10,185,687		9,684,334
Total assets less current liabilities			15,930,489		16,816,138
Creditors: amounts falling due after more than one year	**20**		(25,259,121)		(24,784,994)
Provisions for liabilities					
Deferred taxation	**23**		(92,570)		(50,646)
Net liabilities			(9,421,202)		(8,019,502)
Capital and reserves					
Called up share capital	**24**		1,000		981
Share premium account	**25**		8,947		8,837
Profit and loss account	**25**		(10,306,063)		(8,692,636)
Equity attributable to owners of the parent Company			(10,296,116)		(8,682,818)
Non-controlling interests			874,914		663,316
			(9,421,202)		(8,019,502)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2023.

M Robson
Director

The notes on pages 20 to 42 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note		2022 £		2021 £
Fixed assets					
Investments	**16**		9,250		9,250
			9,250		9,250
Current assets					
Debtors: amounts falling due within one year	**17**	9,947		9,818	
		9,947		9,818	
Creditors: amounts falling due within one year	**19**	(9,250)		(9,250)	
Net current assets			697		568
Total assets less current liabilities			9,947		9,818
Net assets			9,947		9,818
Capital and reserves					
Called up share capital	**24**		1,000		981
Share premium account	**25**		8,947		8,837
			9,947		9,818

The Company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the Parent Company for the year was £NIL (2021: £NIL).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2023.

M Robson
Director

The notes on pages 20 to 42 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Share premium account	Profit and loss account	Equity attributable to owners of parent Company	on-controlling interests	Total equity
	£	£	£	£	£	£
At 1 January 2021	966	8,696	(5,028,600)	(5,018,938)	1,128,400	(3,890,538)
Comprehensive income for the year						
Loss for the year	-	-	(3,664,036)	(3,664,036)	(465,084)	(4,129,120)
Total comprehensive income for the year	-	-	(3,664,036)	(3,664,036)	(465,084)	(4,129,120)
Contributions by and distributions to owners						
Shares issued during the year	15	141	-	156	-	156
Total transactions with owners	15	141	-	156	-	156
At 1 January 2022	981	8,837	(8,692,636)	(8,682,818)	663,316	(8,019,502)
Comprehensive income for the year						
Loss for the year	-	-	(1,613,427)	(1,613,427)	211,598	(1,401,829)
Total comprehensive income for the year	-	-	(1,613,427)	(1,613,427)	211,598	(1,401,829)
Contributions by and distributions to owners						
Shares issued during the year	19	110	-	129	-	129
Total transactions with owners	19	110	-	129	-	129
At 31 December 2022	1,000	8,947	(10,306,063)	(10,296,116)	874,914	(9,421,202)

The notes on pages 20 to 42 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Share premium account	Total equity
	£	£	£
At 1 January 2021	966	8,696	9,662
Contributions by and distributions to owners			
Shares issued during the year	15	141	156
Total transactions with owners	15	141	156
At 1 January 2022	981	8,837	9,818
Profit for the year	-	-	-
Contributions by and distributions to owners			
Shares issued during the year	19	110	129
Total transactions with owners	19	110	129
At 31 December 2022	1,000	8,947	9,947

The notes on pages 20 to 42 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Loss for the financial year	(1,401,829)	(4,129,120)
Adjustments for:		
Amortisation of intangible assets	1,457,653	1,287,275
Depreciation of tangible assets	60,677	90,201
Government grants	-	(33,203)
Interest charged	2,212,021	2,057,141
Interest received	(487)	(68)
Taxation charge	284,475	(265,835)
Decrease in debtors	132,246	115,439
(Decrease)/increase in creditors	(1,073,885)	1,184,330
Corporation tax (paid)	(84,956)	(1,483,202)
Net cash generated from operating activities	1,585,915	(1,177,042)
Cash flows from investing activities		
Purchase of intangible fixed assets	(58,847)	(401,425)
Purchase of tangible fixed assets	(72,603)	(76,362)
Sale of tangible fixed assets	122	221
Government grants received	-	33,203
Interest received	487	68
Settlement of pre-acquisition deferred consideration	-	(2,500,000)
Net cash from investing activities	(130,841)	(2,944,295)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from financing activities		
Issue of ordinary shares	129	156
Repayment of bank loan	(168,479)	(13,488)
Shareholder loans	-	2,622,551
(Repayment of)/new finance leases	(171,489)	128,947
Other new loans	7,495	754,761
Interest paid	(92,594)	-
Net cash used in financing activities	(424,938)	3,492,927
Net increase/(decrease) in cash and cash equivalents	1,030,136	(628,410)
Cash and cash equivalents at beginning of year	2,049,370	2,677,780
Cash and cash equivalents at the end of year	3,079,506	2,049,370
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,079,506	2,049,370
	3,079,506	2,049,370

1. General information

Project Steel Topco Limited ('the Company') is a private company, limited by shares, incorporated in the United Kingdom.

The address of its registered office and principal place of business is:

Corby Innovation Hub

Bangrave Road South

Corby

United Kingdom

NN17 1NN

These financial statements have been presented in pounds sterling which is the functional currency of the company and rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Income Statement from the date on which control is obtained. They are deconsolidated from the date control ceases.

2. Accounting policies (continued)

2.3 Going concern

The Group manages its day to day working capital requirements and the levels of cash and cash equivalents, trade debtors and creditors. As set out in the Directors' report, the Group through 2022 experienced a downturn in business with suppliers either withdrawing price books or only offering short fixed term contracts.

Despite these matters the Group has seen recoveries in overall trading as suppliers have returned with price books and improving contract terms.

The Directors regularly prepare forecasts and mitigating actions that would be taken to help manage the Group's cash positions. The Group's forecasts and projections seek to take account of changes in trading performance and working capital including the effect of the shorter term contracts, supplier consumption reconciliations and clawbacks arising from the closure of customers' businesses.

These forecasts show that the Group can continue to operate and after making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern in preparing its' financial statements. Whilst the Group has made a loss before taxation much of this is non cash and as set out within the Strategic Report, adjusted proforma EBITDA is positive.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Customer Energy Contracts

Through procuring contracts with energy suppliers on behalf of SME customers, the Group generates revenues by way of commissions received directly from the energy suppliers. Commissions are variable as they are based upon the energy usage of the SME customer at agreed commission rates with the energy suppliers. The expected commission over the full term of the contract is recognised at the point the contract is authorised by the supplier as this is the point at which control of the service is seen to transfer to the customer. The expected commission is calculated based on the historical consumption of the contracted meter point. The revenue recognised is constrained and adjusted by the proportion of the revenue that is expected to reverse over the life of the contract, due to consumption variances and contract attrition.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2. Accounting policies (continued)

2.6 Interest income

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

2.7 Finance costs

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

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

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

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

2. Accounting policies (continued)

2.10 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

2.11 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2. Accounting policies (continued)

2.12 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

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

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

Software Development Costs

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use.

- The intention to complete the software and use it.

- The ability to use the software.

- How the software will generate probable future economic benefits.

- The availability of adequate technical, financial and other resources to complete the development and to use the software

- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. Software development costs are amortised over their useful economic life of 3 years.

2.13 Tangible fixed assets

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

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures & fittings	-	33-50% straight line

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

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

2.14 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired.

Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).

Non financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 Debtors

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

2.17 Cash and cash equivalents

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2. Accounting policies (continued)

2.18 Creditors

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

2.19 Finance leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2. Accounting policies (continued)

2.21 Financial instruments

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

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

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

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

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

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

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the Group's accounting policies, the directors are required to make judgments, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgments, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgments, estimates and assumptions, the actual results and outcomes may differ.

(i) Estimating the value of services delivered

The Group recognises adjustments against turnover for contract attrition where signed customer contracts are ultimately not delivered due to the energy provider being unable to complete the switching process or the contract is terminated at some point after the switching process has taken place. The charge for customers that have not completed the switching process together with the estimate for those that will not complete switching is reviewed and updated on a monthly basis.

For those contracts that terminate after the switching process has taken place, for instance with the closure of the customer's business, an adjustment is made to the expected revenue for the effect of business closures and other early terminations. The charge has been calculated based upon the costs that have been incurred to the date of this report together with using early contract termination data provided by suppliers and an assessment of market and credit analysts data.

The Group also monitors the customer energy consumption data that is passed to suppliers and on which the basis of the commission receivable is calculated. However, over the course of a contract and in particular with the COVID-19 pandemic and energy price crisis, consumption levels fluctuate and to address these consumption variances, an adjustment is applied to expected revenue at the point of sale based upon historical data and an estimation of future trends.

4. Turnover

All turnover arose within the United Kingdom.

5. Exceptional items

	2022 £	2021 £
Professional fees	63,776	8,100
Bad debt charge	539,917	3,337,355
Insurance claim receivable	(665,997)	-
	(62,304)	3,345,455

The bad debt charge in the current year represents a one-off charge in nature rather than more general uncollected receivable balances. The insurance claim receivable is also viewed as being non-recurring in nature.

6. Other operating income

	2022 £	2021 £
Other operating income	165,134	59,360
Government grants receivable	-	33,203
	165,134	92,563

7. Operating profit/(loss)

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

	2022 £	2021 £
Amortisation	1,457,653	1,287,275
Depreciation	60,677	90,201
Pension commitments	87,822	91,618

8. Auditor's remuneration

During the year, the Group obtained the following services from the Company's auditor:

	2022 £	2021 £
Audit services	36,000	32,500
All other services	19,000	17,000
	55,000	49,500

9. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2022 £	Group 2021 £
Wages and salaries	4,896,126	4,786,146
Social security costs	566,029	520,662
Cost of defined contribution scheme	100,842	91,618
	5,562,997	5,398,426

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Employees	119	110	4	4

10. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	613,931	553,555
Group contributions to defined contribution pension schemes	13,723	12,491

During the year retirement benefits were accruing to 2 directors (2021 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £193,500 (2021 - £184,500).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,560 (2021 - £7,292).

11. Interest receivable

	2022 £	2021 £
Other interest receivable	487	68

12. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	64,723	10,819
Other loan interest payable	2,147,298	2,007,709
Interest on corporation tax payments	-	38,613
	2,212,021	2,057,141

13. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	24,689	(378,590)
Adjustments in respect of previous periods	217,862	118,172
	242,551	(260,418)
Total current tax	242,551	(260,418)
Deferred tax		
Origination and reversal of timing differences	419,107	51,827
Effect of tax rate change on opening balance	(377,183)	(283)
Adjustments in respect of prior periods	-	(56,961)
Total deferred tax	41,924	(5,417)
Taxation on profit/(loss) on ordinary activities	284,475	(265,835)

13. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022	2021
	£	£
Loss on ordinary activities before tax	(1,117,354)	(4,394,955)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(212,297)	(835,041)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	163,178	163,178
Expenses not deductible for tax purposes	12,896	924
Capital allowances for year in excess of depreciation	-	286,765
Additional deduction for R&D expenditure	-	7,410
Adjustments to tax charge in respect of prior periods	217,862	118,172
Remeasurement of deferred tax for changes in tax rates	(20,072)	(301,579)
Deferred tax not recognised	-	733,951
Adjustments to tax charge in respect of prior periods - deferred tax	(377,183)	(56,961)
Adjustment in respect of prior year liabilities	-	(347,000)
Fixed asset differences	(2,649)	(4,064)
R&D credit	-	(31,590)
Movement in deferred tax not recognised	502,740	-
Total tax charge for the year	284,475	(265,835)

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

14. Intangible assets

Group

	Computer software	Goodwill	Total
	£	£	£
Cost			
At 1 January 2022	1,461,215	8,588,339	10,049,554
Additions	58,847	-	58,847
At 31 December 2022	1,520,062	8,588,339	10,108,401
Amortisation			
At 1 January 2022	428,441	2,576,502	3,004,943
Charge for the year	598,819	858,834	1,457,653
At 31 December 2022	1,027,260	3,435,336	4,462,596
Net book value			
At 31 December 2022	492,802	5,153,003	5,645,805
At 31 December 2021	1,032,774	6,011,837	7,044,611

Included within computer software is £182,818 (2021: £352,447) of finance lease assets, relating to the CRM system.

15. Tangible fixed assets

Group

	Fixtures & fittings £
Cost	
At 1 January 2022	333,853
Additions	72,603
Disposals	(22,379)
At 31 December 2022	384,077
Depreciation	
At 1 January 2022	246,660
Charge for the year	60,677
Disposals	(22,257)
At 31 December 2022	285,080
Net book value	
At 31 December 2022	98,997
At 31 December 2021	87,193

16. Fixed asset investments

Company

	Investments in subsidiary companies
	£
Cost	
At 1 January 2022	9,250
At 31 December 2022	9,250
Net book value	
At 31 December 2022	9,250
At 31 December 2021	9,250

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Project Steel Midco 1 Limited	Ordinary	100%
Project Steel Midco 2 Limited*	Ordinary	100%
Project Steel Bidco Limited*	Ordinary	88%
Utility Bidder Holdings Limited*	Ordinary	88%
Utility Bidder Limited*	Ordinary	88%

All subsidiaries marked with a * are held indirectly. Shareholdings are shown from the point of view of Project Steel TopCo Limited.

All of the subsidiaries are registered at Corby Innovation Hub, Bangrave Road South, Corby, United Kingdom, NN17 1NN.

17. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	193,872	369,785	-	-
Amounts owed by group undertakings	-	-	9,946	9,818
Other debtors	750,344	335,592	1	-
Prepayments and accrued income	9,711,623	10,240,303	-	-
	10,655,839	10,945,680	9,947	9,818

Amounts due from group undertakings are unsecured, interest free and repayable on demand.

Included within prepayments and accrued income is £5,562,966 (2021: £5,891,033) of accrued income falling due after more than one year.

18. Cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash at bank and in hand	3,079,506	2,049,370

19. Creditors: Amounts falling due within one year

	Group 2022 £	Group As restated 2021 £	Company 2022 £	Company 2021 £
Bank loans	170,676	170,683	-	-
Other loans	762,256	-	-	-
Trade creditors	343,134	292,639	-	-
Amounts owed to group undertakings	-	-	9,250	9,250
Other taxation and social security	905,790	772,517	-	-
Obligations under finance lease and hire purchase contracts	150,310	183,885	-	-
Other creditors	26,092	28,556	-	-
Accruals and deferred income	1,191,400	1,862,436	-	-
	3,549,658	3,310,716	9,250	9,250

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

20. Creditors: Amounts falling due after more than one year

	Group 2022 £	Group As restated 2021 £
Bank loan	497,357	665,829
Other loans and loan notes	23,653,479	22,260,942
Net obligations under finance leases and hire purchase contracts	-	137,914
Accruals and deferred income	1,108,285	1,720,309
	25,259,121	24,784,994

The bank loan and loan notes are secured by debentures creating a fixed and floating charge over the assets of the Group.

21. Loans

Analysis of the maturity of loans is given below:

	Group 2022 £	Group 2021 £
Amounts falling due within one year		
Bank loan	170,676	170,683
Other loans	762,256	-
	932,932	170,683
Amounts falling due 1-2 years		
Bank loan	170,011	170,004
Other loans	-	754,761
	170,011	924,765
Amounts falling due 2-5 years		
Bank loan	327,346	495,825
Loan notes	23,653,479	21,506,181
	23,980,825	22,002,006
	25,083,768	23,097,454

The loan note balance is made up of the following as at 31 December 2022:

12% Fixed Rate Secured A Loan Notes with principal payments amounting to £1,414,210 (2021: £1,414,210) and accrued interest of £527,287 (2021: £357,583);

12% Fixed Rate Secured B Loan Notes with principal payments amounting to £14,022,841 (2021: £14,022,841) and accrued interest of £5,217,752 (2021: £3,525,012);

10% Fixed Rate Unsecured C Loan Notes with principal payments amounting to £507,676 (2021: £507,576) and accrued interest of £148,352 (2021: £97,633); and

0% Unsecured D Loan Notes with principal payments amounting to £2,059,511 (2021: £2,059,511).

Loan arrangement fees totalled £1,080,863 and are being amortised over the life of the loan.

Loan notes fall due on 21 December 2025. The 12% loan notes and other bank loan are secured by fixed and floating charges over the assets of the Company and Group.

The other loans are made up of principal payments of £747,115 (2021: £747,115) and accrued interest of £7,676 (2021: £7,646).

22. Finance leases

Minimum lease payments under finance leases fall due as follows:

	Group 2022 £	Group 2021 £
Within one year	150,310	183,885
Between 1-5 years	-	137,914
	150,310	321,799

23. Deferred taxation

Group

	2022 £	2021 £
At beginning of year	(50,646)	(56,063)
Charged to profit or loss	(41,924)	5,417
At end of year	(92,570)	(50,646)

The provision for deferred taxation is made up as follows:

	Group 2022 £	Group 2021 £
Accelerated capital allowances	(97,082)	(54,496)
Short term timing differences	4,512	3,850
	(92,570)	(50,646)

24. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
79,941 (2021 - 83,600) Ordinary A shares of £0.01 each	799.4	836.0
1,822 (2021 - 1,822) Ordinary B shares of £0.01 each	18.2	18.0
18,237 (2021 - 12,741) Ordinary C shares of £0.01 each	182.4	127.0
	1,000.0	981.0

On 2 August 2022 1,569 Ordinary C shares of £0.01 were issued at a premium of £0.071 per share. A total consideration of £111.40 was paid for these shares.

On the same date, 3,700 Ordinary A shares of £0.01 each were changed into 3,700 Ordinary C shares of £0.01 each.

25. Reserves

Share premium account

The share premium account comprises amount paid in excess of the nominal value of issued share capital.

Profit & loss account

The profit and loss account represents the accumulated profits less any dividends paid.

26. Analysis of net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	2,049,370	1,030,136	3,079,506
Debt due after 1 year	(22,926,771)	(1,224,065)	(24,150,836)
Debt due within 1 year	(170,683)	(762,249)	(932,932)
Finance leases	(321,799)	171,489	(150,310)
	(21,369,883)	(784,689)	(22,154,572)

27. Comparative information

Following changes to systems during the year sub-broker cost accruals can now be more accurately split between due within one year and more than one year. This has resulted in an increase in accruals of £1,720,309 due after more than one year and subsequently accruals due within one year has reduced by the same amount. There has been no impact on profit or loss or the Statement of Financial Position other than amended disclosure added to note 17.

28. Pension commitments

The Group operates a defined contribution pension plan for its employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charged represents contributions payable by the Group to the funds and amounted to £87,822 (2021: £91,618). Contributions totalling £16,950 (2021: £15,656) were payable to the fund at the Statement of Financial Position date and are included in other creditors.

29. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £
Not later than 1 year	419,526	217,733
Later than 1 year and not later than 5 years	587,822	910,583
	1,007,348	1,128,316

30. Related party transactions

The Company has taken advantage of the exemption permitted by Section 33 Related Party Disclosures, not to provide disclosures of transactions entered into with other wholly-owned members of the Group.

At the Statement of Financial Position date, the Company is owed £129 (2021: £Nil) from Utility Bidder Limited. Utility Bidder Limited is a related party by virtue of holding 88% of the share capital in the Company.

At the Statement of Financial Position date, the Company is owed £9,468 (2021: £9,468) from Project Steel Bidco Limited. Project Steel Bidco Limited is a related party by virtue of holding 88% of the share capital in the Company.

In the previous year, a director of the Group made an unsecured working capital loan to the Group of £657,115 which is repayable in October 2023. At 31 December 2022 the total outstanding was £663,866 (2021: £663,836).

A director of the Group is also a director of Steel Men Limited. The balance owed at the year end by Steel Men Limited was £1,256 (2021: £77,050).

31. Controlling party

The ultimate controlling party is Sovereign Capital IV Limited Partnership, its registered office address being 25 Victoria Street, London, SW1H 0EX.