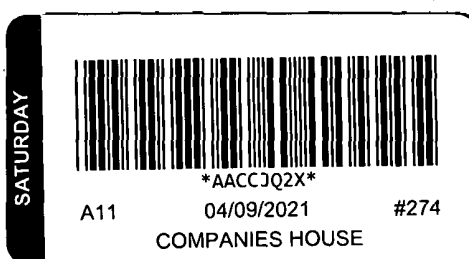


Company Registration Number 09135084

BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2021



**BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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**BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)**

**COMPANY INFORMATION**

**Directors**

C Holme (appointed 18 January 2021)  
A S D Mather  
S G Pearce  
S P Robertson

**Registered number**

09135084

**Registered office**

100 PO Box 3399  
100 Temple Street  
Bristol  
BS1 9NE

**Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
2 Glass Wharf  
Bristol  
BS2 0FR

**BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)****STRATEGIC REPORT**

The Directors present their strategic report and the audited financial statements for BE 2020 Ltd, formerly Bristol Energy Ltd (the "Company") for the year ended 31 March 2021.

**Principal activities**

The principal activity of the Company during the year was to supply gas and electricity to residential and business customers in the UK. However, by September 2020, the Company had sold its customer books and begun the process to wind down the existing business.

**Business review**

The financial year ended 31 March 2021 has been a year of change and challenge for BE 2020 Ltd. The energy supply market is now more competitive than ever both in terms of the number of suppliers in the market, but also the scale of price competition especially from the traditional big 6 energy suppliers. In addition, Ofgem's price cap for Standard Variable Tariffs remains in force to limit the prices paid by customers who are either vulnerable, unaware or apathetic to their current supply costs. Whilst this is a welcome measure it will also limit the margins available to all energy suppliers. Through the financial year a number of smaller suppliers went out of business through the Supplier of Last Resort (SoLR) process, highlighting the difficult conditions for those with traditional supply business models.

This backdrop resulted in pressure on margins, profitability and ultimately the cash required necessary to run the business. It was against this backdrop that the decision was made to sell the customer book and to withdraw from the retail energy market. Following an independent financial review of Bristol Energy the decision was taken by the Bristol City Council as ultimate shareholder, in June 2020, to sell the Company's commercial and residential customer books.

In August 2020 the commercial customer book and associated assets were sold to Yu Energy and in September 2020 the residential book and associated assets acquired by Together Energy. The Asset Purchase Agreement with Together Energy included the sale of the Bristol Energy brand and the residual company has been renamed BE 2020 Limited.

**Results and dividends**

The financial year ending 31 March 2020 was the fifth year of trading for Bristol Energy.

Following the decision to cease operations, the Key Performance Indicators used within the business are no longer considered relevant. The directors have been focusing on realising the remaining assets and settling the remaining liabilities in as efficient manner as possible so as to minimise the level of further funding needed from the shareholder. The most relevant performance measure at year end is therefore considered to be the net liability position of £36.6m (31 March 2020: £40.3m).



**BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)**

**STRATEGIC REPORT (continued)**

**Results and dividends (continued)**

The directors do not recommend the payment of a dividend (2020: £nil).

**Future developments**

The company is continuing to settle remaining assets and liabilities and expects to enter a formal liquidation process in the foreseeable future. Subsequent to the year end, the company's preference shares were converted to ordinary shares and the accrued preference dividend was waived. See note 27 for further details.

**Section 172 Statement**

The Directors are committed to their responsibilities to promote the success of the Company in accordance with Section 172 of the Companies Act 2006. Our intention is to behave responsibly and ensure that management operate the business in an appropriate manner, operating with the high standards of business conduct and good governance. Each Director of the Company has taken steps to act in the way they consider, in good faith, would be most likely to promote the success of the Company and in so doing so have regard (amongst other matters) to the matters below:

a) The likely consequences of any decision in the long term. The board has made principal decisions impacting the future of the Company in line with their long term strategic objectives agreed with the ultimate parent company, Bristol City Council. During the year the key decision has been to ensure the orderly sale of the Company's business in a way which protects stakeholders as far as possible whilst minimising any further costs to Bristol City Council.

b) The interests of the Company's employees. The Directors recognise that our employees are fundamental in everything we do. The success of our business depended on retaining, attracting and motivating staff. Safety, Health, Environment and Quality remained at the forefront during the year, and with the onset of the COVID pandemic, we ensured that our employees were able to work from home. Following the decision to sell the Company's business, some employees have retained their roles under new ownership and for others, the Company has tried to provide appropriate support wherever possible.

c) The need to foster the Company's business relationships with suppliers, customers and other stakeholders. The sale of the Company's customer accounts has been carried out in a way that minimises any disruption to customers.

This report was approved by the Board and signed on its behalf by:

DocuSigned by:

*Stephen Robertson*

**Stephen Robertson**

Director

29th June 2021

## **BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)**

### **DIRECTORS' REPORT**

The directors present their report together with the audited financial statements for the year ended 31 March 2021

On the 2nd October 2020 Bristol Energy Limited changed its name to BE 2020 Limited. The directors present their annual report and the audited financial statements for BE 2020 Limited (formerly known as Bristol Energy Limited) (the "Company") for the year ended 31 March 2021.

#### **Directors**

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

A G Booth	(resigned 31 October 2020)
B Evans	(resigned 31 December 2020)
C Holme	(appointed 18 January 2021)
P K Madden	(resigned 31 December 2020)
A S D Mather	
S G Pearce	
S P Robertson	

#### **Financial risk management**

Refer to Notes to the Financial Statements, Note 24, page 22.

#### **Qualifying third party indemnity provisions**

The Company maintains directors' and officers' insurance on behalf of its directors and this remains in place at the date of approval of the financial statements

#### **Future developments**

Future developments are referenced in the Strategic Report on page 3.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS-102), and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.



**BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)**

**DIRECTORS' REPORT (continued)**

**Directors' responsibilities statement (continued)**

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

**Disclosure of information to auditors**

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

so far as that directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and

that directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Disclosures in respect of dividends are included in the Strategic report on page 3.

**Going concern**

On the 7th August 2020 the Company reached an agreement with Yu Energy Limited to sell the Business customer book and on the 7th of September 2020 reached an agreement with Together Energy Limited to sell the Residential customer book. The directors now intend to realise the remaining assets and settle the remaining liabilities and expect the company to enter a formal liquidation process in the foreseeable future. Accordingly, the directors believe that the going concern basis is not appropriate for the Company and the financial statements have been prepared on a basis other than going concern. Further details are given in note 1.

This report was approved by the Board and signed on its behalf by:

DocuSigned by:

*Stephen Robertson*

**Stephen Robertson**

Director

29th June 2021

**BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BE 2020 LIMITED**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

In our opinion, BE 2020 Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 March 2021; the statement of comprehensive income, the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Emphasis of matter - financial statements prepared on a basis other than going concern**

In forming our opinion on the financial statements, which is not modified, we draw attention to note 2.3 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.



**BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTOL ENERGY LIMITED (continued)**

**Reporting on other information (continued)**

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

***Strategic Report and Directors' Report***

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 year ended 31 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

**Responsibilities for the financial statements and the audit**

***Responsibilities of the directors for the financial statements***

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

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.

**BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTOL ENERGY LIMITED (continued)**

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Ofgem licence conditions, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated 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 of manual journal entries with unusual account combinations and manipulation of estimates, in particular those which understate any potential remaining liabilities of the company. Audit procedures performed by the engagement team included:

- discussion with those charged with governance regarding any known instances of fraud or breaches of laws and regulations and review of Board meeting minutes for evidence of any such matters;
- review of Ofgem's website for any open investigation investigations or enforcement action against the company;
- testing of journals entries posted to unusual account combinations or exhibiting particular risk criteria
- testing the derecognition of of any material liabilities or provisions.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

**Use of this report**

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

**OTHER REQUIRED REPORTING**

**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



**Paul Nott (Senior Statutory Auditor)**  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol  
29 June 2021



**BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)****STATEMENT OF COMPREHENSIVE INCOME****For the year ended 31 March 2021**

	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Turnover</b>	4	32,921,984	102,282,226
Cost of sales		(32,287,420)	(93,571,129)
<b>Gross profit</b>		<u>634,564</u>	<u>8,711,097</u>
Other income	5	12,212,298	
Administrative expenses		(9,851,421)	(21,971,753)
<b>Operating Profit/Loss</b>	5	<u>2,995,441</u>	<u>(13,260,656)</u>
Interest receivable and similar income	9	9,679	14,458
Interest payable and similar expenses	10	(1,989,986)	(1,905,783)
<b>Profit/Loss before taxation</b>		<u>1,015,134</u>	<u>(15,151,981)</u>
Tax on profit/ loss	11	1,095	349,019
<b>Profit/Loss for the financial year, being total comprehensive expense for the year</b>		<u><u>1,016,229</u></u>	<u><u>(14,802,962)</u></u>

All of the above results relates to discontinued operations

**BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)****STATEMENT OF FINANCIAL POSITION****At 31 March 2021**

<b>ASSETS</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
<b>Current assets</b>			
Assets classified as held for sale	12	-	35,767
Stocks	13	14,983	638,220
Debtors: amounts falling due within one year	14	704,376	20,585,711
Cash at bank and in hand		2,223,220	5,140,025
		<hr/>	<hr/>
		2,942,579	26,399,723
<b>Total assets</b>		<hr/>	<hr/>
		2,942,579	26,399,723
		<hr/>	<hr/>
<b>CAPITAL, RESERVES AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Called up share capital	15	9,178,575	9,178,575
Capital Contribution Reserve	16	2,700,002	-
Profit and loss account	17	(48,431,229)	(49,447,458)
		<hr/>	<hr/>
<b>Total equity</b>		(36,552,652)	(40,268,883)
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	18	12,173,806	38,838,141
Provisions for liabilities	21	-	509,040
		<hr/>	<hr/>
		12,173,806	39,347,181
<b>Non-current liabilities</b>			
Creditors: amounts falling due after more than one year	19	27,321,425	27,321,425
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		2,942,579	26,399,723
		<hr/>	<hr/>

The financial statements on pages 9 to 24 were approved by the Board of Directors on 29th June 2021 and signed on its behalf by:

DocuSigned by:

*Stephen Robertson*  
**Stephen Robertson**

Director

29th June 2021

BE 2020 Limited

Registered No: 09135084



**BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)****STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 March 2021**

	Called up share capital	Capital Contribution Reserve	Profit and loss account	Total equity
	£	£	£	£
<b>At 1 April 2019</b>	7,243,100	-	(34,644,496)	(27,401,396)
Loss for the financial year being total comprehensive expense	-	-	(14,802,962)	(14,802,962)
Share capital issued	1,935,475	-	-	1,935,475
<b>At 31 March 2020</b>	9,178,575	-	(49,447,458)	(40,268,883)
Profit for the financial year being total comprehensive income	-	-	1,016,229	1,016,229
Capital Contribution from Ultimate Shareholder	-	2,700,002	-	2,700,002
<b>At 31 March 2021</b>	9,178,575	2,700,002	(48,431,229)	(36,552,652)

**BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 March 2021****1. General information**

The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is 100 PO BOX 3399, 100 Temple Street, Bristol, England, BS1 9NE.

The functional and presentational currency of the Company is sterling.

**2. Accounting policies****2.1 Basis of preparation of financial statements**

The financial statements have been prepared on a basis other than going concern. These financial statements have been prepared under the historical cost convention, except for derivative financial instruments that have been measured at fair value, and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom 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 management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently in the preparation of these financial statements:

**2.2 Financial reporting standard 102 – reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Bristol City Council as at 31 March 2021 and these financial statements may be obtained from Bristol City Council, City Hall, College Green, Bristol, BS3 9FS.

**2.3 Going concern**

The directors are currently engaged in a process to realise the remaining assets and to settle the remaining liabilities. It is expected that the company will enter a formal liquidation process in the foreseeable future. Accordingly, the directors have determined that it is appropriate to prepare the financial statements on a basis other than going concern. This has resulted in certain assets being impaired as at 31 March 2021 and all assets being classified within current assets.



**BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)****NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2021****2 Accounting policies (continued)****2.4 Revenue**

Revenue is recognised on the basis of electricity and gas supplied during the year. Revenue includes an estimate of the sales value of units supplied between the date of the last meter read and year end date. Revenue is recognised net of sales discounts, VAT and climate change levy.

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

**2.5 Financing costs**

Interest payable is recognised in the Statement of Comprehensive Income as it accrues, using the relevant interest rate and method.

**2.6 Foreign currency transactions**

Transactions in foreign currencies are recorded in sterling at the currency rate prevailing at the date of the transaction.

**2.7 Assets held for sale**

As a consequence of preparing the financial statements on a basis other than going concern, in the 2020 financial statements, certain intangible and tangible fixed assets were shown as assets held for sale based on their expected net realisable value.

**2.8 Stock**

Under the provisions of the Utilities Act 2000, all electricity suppliers are required to procure a set percentage of their supplies from accredited renewable electricity generators. This obligation can be fulfilled by the purchase and surrender of Renewable Obligation Certificates (ROCs) originally issued to generators, or by making payments to purchasers of ROCs. The cost obligation is recognised as it arises and is charged to the profit and loss account for the year to which the charge relates to. Gains or losses on disposal of ROCs are included in the profit and loss account as and when they crystallize. The stock of ROCs carried forward is valued at the lower of cost and estimated net realisable value.

**2.9 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.

**2.10 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.

**BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)****NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2021****2 Accounting policies (continued)****2.11 Financial instruments**

The company applies sections 11 and 12 of FRS 102 in respect of recognition and measurement of financial instruments.

*Debt instruments*

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 payables or receivables, 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

*Financial assets*

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 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.

*Derivatives and hedging*

The company uses commodity purchase contracts to hedge its exposures to fluctuations in gas and electricity commodity prices. When commodity purchase contracts have been entered into as part of the Company's normal business activity, the Company classifies them as 'own use' contracts and outside the scope of FRS102.12. This is achieved when:

- Physical delivery takes place under all such contracts;
- The volumes purchase or sold under the contracts corresponds to the Company's operating requirements; and
- The contracts are not considered as written options as defined by the Standard.

Commodity purchase contracts not qualifying as 'own use' which also meet the definition of a derivative are treated as derivative financial instruments. This includes both financial and non-financial contracts.

Derivatives and other financial instruments are measured at fair value on the contract date and are re-measured to fair value at subsequent reporting dates. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income as they arise.

*Right of offset*

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.



**BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 March 2021**

**2 Accounting policies (continued)**

**2.12 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.

**2.13 Provisions for liabilities**

Where the company has an obligation to settle a liability for goods or services where the Company no longer expects to receive any economic benefit, a provision has been recognised for the expected cash outflow needed to settle the obligation.

**2.14 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 the profit or loss account on a straight-line basis over the period of the lease.

**2.15 Post employment benefits**

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

The contributions are recognised as an expense in the Statement of Comprehensive Income 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 Company in independently administered funds.

**2.16 Taxation**

Tax is recognised in the Statement of Comprehensive Income, 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.

Deferred tax is calculated based on tax rates and laws that have been enacted, or substantively enacted, by the Statement of Financial Position date.

A deferred tax asset is recognised only if it is probable that future taxable profits will be available against which the temporary differences can be utilised.

**BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2021**

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

The preparation of the financial statements requires management to make a number of key judgements in applying the Company's accounting policies and to make estimates and assumptions concerning the future. There are no significant judgments impacting these financial statements. The estimates that are most susceptible to material adjustment to the carrying amounts of assets and liabilities in the next twelve months are:

**Impairment of trade and other debtors**

Impairment against trade debtors are recognised where a loss is probable. The Directors have based their assessment of the level of impairment on expected non-collection rates using historical data. Although the Company has sold its "live" debtor book as part of the post-year end sale of the business, it continues to have exposure to older "non-live" customer balances. Although efforts continue to be made to collect such amounts, these balances have largely been provided against and therefore the company has no material downside exposure.

**Customer Credit Balances**

In addition to "non-live" customer debit balances, the Company holds non-live customer credit balances. These have continued to be recognised as a liability and the company is making best endeavours to contact previous customers and make repayments. Should it not prove possible to contact all potential recipients the company may at some point in the future conclude that some of this liability should be released.

**Warm Home Discount (WHD)**

The company believes that some of the amount paid for the WHD scheme is recoverable from the acquiror but the amount due is currently disputed. Accordingly the company have not recognised a contingent asset of up to £562,800.



**BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)****NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2021****4. Turnover**

Turnover arises from the supply of electricity and gas and related services in the United Kingdom to both residential and business customers.

**5. Operating Profit**

Operating profit is stated after charging/(crediting):

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	-	85,477
Amortisation of intangible assets	-	434,582
Restructuring Costs	180,693	218,966
Costs associated with break up basis of accounting		
- Fixed Asset and Intangible Disposals and Impairment	-	751,549
- Bad debt provision	145,596	3,298,631
- Onerous contract provision	-	509,040
Other income	(12,212,298)	

Restructuring costs relate to PILON and termination payments.

Other income relates to the proceeds of the sale and includes both cash received and non-cash consideration. Cash proceeds have been used to settle industry liabilities that were not transferred with the business.

As a result of the sale of the business the financial statements in 2020 were prepared on a basis other than going concern. Adjustments were made to write down tangible and intangible assets to their net realisable value, to recognise an additional bad debt provision based on the expected proceeds to be received under the sale agreement and to recognise an onerous contract provision.

**6. Auditors' remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Fees payable to the Company's auditors for the audit of the Company's financial statements	30,000	46,000

**7. Employees**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,445,587	6,200,930
Social security costs	346,366	622,591
Other pension costs	158,221	298,378
	<u>3,950,174</u>	<u>7,121,899</u>

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

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Operations	59	129
Management and administration	43	78
	<u>102</u>	<u>207</u>

**BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)****NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2021****8. Directors' remuneration**

	2021 £	2020 £
Directors' emoluments	163,729	339,347
Directors' PILON & termination	-	85,800
Company contributions to defined contribution pension	1,212	10,921
	<u>164,941</u>	<u>436,068</u>

The highest paid director received remuneration of £111,209 (2020: £313,881). The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2020: £9,079).

**9. Interest receivable and similar income**

	2021 £	2020 £
Bank interest receivable	1,531	4,858
Other interest receivable	8,148	9,600
	<u>9,679</u>	<u>14,458</u>

**10. Interest payable and similar expenses**

	2021 £	2020 £
Preference share interest payable	1,912,500	1,654,321
Other interest payable to group companies	77,486	251,462
	<u>1,989,986</u>	<u>1,905,783</u>

Other interest payable to group companies reflects interest payable on guarantees provided by the ultimate controlling party.



**BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)****NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2021****11. Tax on loss****Corporation tax**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Group taxation relief		(349,019)
Adjustment in respect of prior year	(1,095)	
Total tax credit	(1,095)	(349,019)

**Factors affecting tax charge/(credit) for the year**

The tax assessed for the year is at the standard rate of corporation tax in the UK of 19% (2020: 19%).

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Profit/Loss before tax	1,015,134	(15,151,981)
Profit/Loss multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	192,875	(2,878,876)

**Effects of:**

Expenses not deductible for tax purposes	513,908	314,686
Deferred tax not recognised	(706,783)	2,215,171
Total current tax	(1,095)	(349,019)

**Factors that may affect future tax charges**

In the Spring Budget 2021, the UK Government announced that the UK corporation tax rate will increase to 25% from 1 April 2023. However, as the company is in the process of being wound up, this change is not expected to have an impact and any residual tax charge or credit is expected to be based on the current rate of 19%.

**Unrecognised deferred tax asset**

The Company has an unrecognised deferred tax asset at the year-end of £6,631,105 (2020: £7,285,561 ) made up mostly of trade losses of £6,564,619 (2020: £7,198,328), capital allowances of £66,486 (2020: £78,246). This asset has not been recognised as the Directors do not believe that there is sufficient certainty that the Company will make taxable profits in the foreseeable future.

**BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)****NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2021****12. Assets held for sale**

	2021 £	2020 £
Software	-	5,767
Office equipment	-	30,000
	<u>-</u>	<u>35,767</u>

On the 7th September 2020, the Company entered an agreement to sell the trade and certain assets of the company to an external buyer. Accordingly, since the 2020 financial statements were prepared on a break-up basis, the intangible and tangible assets were reclassified as held for sale at fair value. Following the sale, the company holds no assets for sale in FY 20/21.

**13. Stocks**

	2021 £	2020 £
Renewable obligation certificates	<u>14,983</u>	<u>638,220</u>

**14. Debtors: amounts falling due within one year**

	2021 £	2020 £
Trade debtors	145,263	4,538,083
Amounts owed by group undertakings	-	985,696
Group relief debtor	1,095	349,019
Other debtors	556,000	2
Prepayments and accrued income	2,018	14,712,912
	<u>704,376</u>	<u>20,585,712</u>

**15. Called up share capital**

	2021 £	2020 £
<b>Allotted, called-up and fully paid</b>		
9,178,575 (2020: 9,178,575) Ordinary shares of £1 each	9,178,575	9,178,575
	<u>9,178,575</u>	<u>9,178,575</u>

**16. Capital Contribution**

Capital Contribution	2,700,002	-
	<u>2,700,002</u>	<u>-</u>

During the year, the company received a capital contribution from the ultimate shareholder which has been recognised in a separate capital contribution reserve.



**BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)****NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2021****17. Profit and loss account**

The profit and loss account represents the accumulated profits, losses, and distributions of the Company.

**18. Creditors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade creditors	379,856	13,130,712
Amounts owed to group undertakings	7,440,929	5,572,063
Taxation and social security	106,052	594,977
Other creditors	-	574,860
Accruals and deferred income	4,246,970	18,965,529
	<u>12,173,806</u>	<u>38,838,141</u>

Amounts owed to group undertakings includes accrued preference share interest of £6,328,372 which has been waived subsequent to the year end. See Note 27.

**19. Creditors: amounts falling due after more than one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Preference shares classified as a liability	27,321,425	27,321,425
	<u>27,321,425</u>	<u>27,321,425</u>

All shares were issued at a dividend rate of 7% redeemable at the option of the Company within 30 years with mandatory redemption in year to 31 March 2048. No premium is payable on redemption. Notwithstanding the fact that these financial statements have been prepared on a break-up basis, this liability continues to be shown as due after more than one year as the company has no current obligation to make any repayments. Subsequent to the year end, these shares have been converted to ordinary shares - see note 27.

**20. Financial instruments**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Derivative financial assets measured at fair value through profit and loss	-	-
Financial assets that are debt instruments measured at amortised cost	703,281	27,382,757
	<u>703,281</u>	<u>27,382,757</u>
<b>Financial liabilities</b>		
Derivative financial liabilities measured at fair value through profit and loss	-	-
Financial liabilities measured at amortised cost	(39,389,179)	(37,958,285)

**BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)****NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2021****20. Financial instruments (continued)**

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors, accruals and preference share liabilities.

**21. Provisions for liabilities**

**Onerous-  
contracts  
£**

At 1 April 2020	509,040
Transferred to creditors	(318,090)
Released	(190,950)
At 31 March 2021	-

Contracts that became onerous in 2020 as a consequence of the sale of the Company were agreed in year and transferred to creditors.

**22. Pension commitments**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge amounted to £158,221 (2020: £298,378).

**23. Commitments under operating leases**

At 31 March 2021, the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2021 £</b>	<b>2020 £</b>
Not later than 1 year	-	492,252
Later than 1 year and not later than 5 years	-	-
		<u>492,252</u>

**24. Financial risk management and impairment of financial assets**

The Company's activities expose it to different financial risks:

- Market risk (mainly from commodity price risk)
- Credit risk
- Liquidity risk

The Audit and Risk Committee was constituted in March 2017 and meets at least 3 times each year. The Committee seeks to minimise the potential adverse financial effects of the above risks on the Company's financial performance. The terms of reference governing the Audit and Risk Committee were approved by the Board of Directors in February 2017.



**BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 March 2021**

**24. Financial risk management and impairment of financial assets (continued)**

**Market risk**

Following the disposal of the Company's trade and assets in September 2020 the Company no longer retains any material commodity risk.

**Credit risk**

Credit risk is the risk to the Company that a counterparty to a financial instrument fails to meet its contractual obligations. This arises mainly from the Company's customer debts and from security deposits and prepayments to suppliers and distributors. However, following the disposal of the trade and certain assets in the year, the Company's main exposure is to credit risk on the "non-live" customer balances that remain with the Company. These balances have largely been provided against and hence there is no material remaining exposure.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has net liabilities and is currently reliant upon financial support from its ultimate parent undertaking, Bristol City Council, for funding of its financial obligations.

Following the disposal of the Company's trade and certain assets in September 2020, the Company continues to liquidate its remaining assets and settle its remaining liabilities. The directors believe that BCC have committed sufficient funding to enable the company to complete this process.

**BE 2020 LIMITED (formerly known as BRISTOL ENERGY LIMITED)****NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2021****25. Related party transactions**

The Company made purchases and received recharges from Bristol City Council in the year ended 31 March 2021 of £1,617,092 (2020: £2,988,749), made sales relating to the supply of energy to Bristol City Council totalling £2,376,242 (2020: £6,533,433). As at 31 March 2021 £1,024,439.59 (net) was due to Bristol City Council (2020: £707,161 due to Bristol City Council) and unbilled energy supplied to Bristol City Council amounted to £nil (2020: £751,078).

During the year, the Company received management recharges from Bristol Holding Limited of £520,842 (2020: £200,000) and recharged Bristol Holding Limited for management services totalling £27,000 (2020: £16,200). As at 31 March 2020, £33,669,858 was due to Bristol Holding Limited (2020: £31,942,708). This includes £27,321,425 (2020: £27,321,425) in preference shares due after more than one year.

Bristol City Council provided guarantees on behalf of the Company to counter-parties in order to enable the Company to undertake the purchase of energy in the normal course of business. Total guarantees in place as at 31 March 2021 were £nil (2020: £15,950,000).

**26. Ultimate parent undertaking and controlling party**

The immediate parent company is Bristol Holding Limited, a company incorporated in the United Kingdom.

The ultimate parent undertaking is Bristol City Council. The financial statements for Bristol City Council are available from the address shown in Note 1.

The smallest and largest undertaking for which the Company is a member and for which group financial statements are prepared is Bristol City Council.

**27. Post Balance Sheet Events**

On 3rd June 2021, Bristol Holding Ltd agreed to the reclassification of 27,321,425 redeemable preference shares (at a 7% coupon) held in BE2020 Ltd being converted into ordinary shares held in the company.

All accrued and future interest and any arrears of preferential dividend attaching to the preference shares have been waived and written off.

