BrytEnergy

Bryt Energy Limited

Company number: 10167351

Annual Report and Financial Statements for the year ended 31 December 2021

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Officers and professional advisers

Directors

Ian Brothwell
Duncan Dale
Duncan Forsyth
Adrian Hobbins
David Taylor
Robert Teschke (resigned 17 June 2021)
Heidi Wilbor
Philipp Siemes (appointed 2 July 2021)

Company Secretary

Duncan Forsyth

Registered Office

1 Victoria Square
Birmingham
B1 1BD

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Banker

Danske Bank
75 King William Street
London
EC4N 7DT

Strategic report

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Principal activities

The principal activity of Bryt Energy Limited (the "Company") is to operate a non-domestic, zero carbon electricity supply business.

The Company is a subsidiary of the Statkraft Group, Europe's largest generator of renewable electricity, who are fully engaged with the management and operation of the Company. All the electricity provided to customers by the Company is sourced from Statkraft and is generated only from wind, solar or hydropower sources, as verified by a third-party audit of the certificates used to demonstrate the Company's fuel mix disclosure, in order to achieve the key goal of helping to reduce the carbon footprint of UK industry.

Review of business

Summary
2021 saw another successful year of growth for the Company with a strong set of financial results and operational performance being delivered. The Company finished the year ahead of its planned profitability targets and continued to deliver strong performance metrics and grow its brand reputation despite the ongoing impact of the Covid-19 pandemic and the unprecedented energy market conditions seen in the UK.

The Company continues to increase its core activity of supplying zero carbon electricity to British businesses: during the year the Company supplied 2.7TWh of electricity to customers (2020: 1.9TWh).

Covid-19
The Company continued to see the effect of the Covid-19 pandemic in 2021, however as in 2020, operations were unaffected by staff working from home, which reflects very well on both technology performance and also the professional way staff have dealt with a very challenging period.

Whilst there has been significant disruption to many other supply businesses due to Covid-19 and the energy market conditions, the Company's customer portfolio has proved to be of good quality, and we have not seen these issues translate into a worsening bad debt position for Bryt. Nonetheless, customer debt remains a high priority for the business as Covid-19 and continued increases in energy prices have increased the risk of significant bad debts due to customer failures. This risk has been mitigated by rigorous credit screening and government support for some customers up to September 2021, meaning that total bad debt write off in the year of £0.3m (2020: £0.3m) was once again low.

Key performance indicators
The directors monitor the following key performance indicators on a regular basis:

	2021	2020
Gross profit percentage	0.5%	0.1%
Operating profit/(loss) percentage	0.0%	(1.0%)
Profit/(loss) after tax percentage	0.0%	(0.8%)

Strategic report (continued)

Financial performance
Total revenue for the year amounted to £365,453,049 (2020: £223,938,847) due to continued strong growth in customer numbers and electricity supplied to them. The result after tax was a profit of £312,811 (2020: loss of £1,868,027), reflecting improved margins in the year compared to 2020. The Company continues to invest in staff and IT systems to provide the best possible customer care and billing platforms, which the directors regard as necessary for customer growth, service and retention.

Future outlook
The Company will continue to sign up new customers as a leading supplier of zero carbon, 100% renewable electricity to British businesses. The Company offers a variety of products and services including innovative supply contracts and optimisation controls. This will help its customers towards a sustainable energy future, whilst reducing costs and improving their Corporate Social Responsibility credentials.

Subsequent to the balance sheet date, the UK Government announced a package intended to support UK businesses through the recent energy price crisis. The Company fully supports the intention and operation of this scheme and believes that it will significantly reduce the difficulties caused by unprecedented and sustained high energy prices in the market.

Corporate social responsibility and health & safety
The Directors place strong emphasis on the Company's code of conduct, compliance with its Supply Licence conditions (and other laws and regulations) and business ethics policies. They strive to achieve an open and constructive dialogue with all stakeholders and are working to develop the Company in a manner that increases shareholder value.

During the year, the Company completed the verification of its greenhouse gas emissions with independent climate consultancy EcoAct, using the internationally recognised ISO 14064-3 standard. The scope of the Company's carbon emissions reporting was significantly broadened in 2021 to include full Scope 3 mapping of carbon emissions in the value chain (these are indirect emissions beyond the Company's direct control), both upstream and downstream. This has resulted in a significant increase in Scope 3 emissions from just 36.5 tonnes in 2020 to over 2,800 tonnes, with the main contributor (circa 70%) being the leakage of SF_6 from the national transmission network.

As part of the Company's SECR report for 2021, just 1.5 tonnes of CO_2 under scope 3 is covered by mandatory reporting requirements, however the Company has voluntarily included its full carbon footprint for its value chain as it believes in transparency and taking accountability for its emissions.

In addition, the Company produced its second Bryt by Nature report which is their programme for being a better business. This incorporates the commitment to 4 key UN Sustainable Development Goals to be focused on. The Company also launched new initiatives to reduce carbon emissions, including an EV salary sacrifice car scheme, as well as becoming accredited under the ModeShift Travel scheme for encouraging sustainable transport.

Strategic report (continued)

Energy and carbon reporting
The Company supplies zero carbon 100% renewable electricity solely from solar, wind and hydro generation; however it recognises that its activities have an environmental impact and have associated carbon emissions. The disclosure below covers Bryt Energy Limited, along with its parent company Statkraft Pure Energy Limited:

	2021	**2020**
Scope 1 emissions from direct sources (tCO_2e)	9.37	7.35
Scope 2 **Location-based** emissions from electricity purchased for own use (tCO_2e)	7.99	8.85
Scope 2 **Market-based** emissions from electricity purchased for own use (tCO_2e)	0	0
Scope 3 emissions – other indirect emissions in the value chain (tCO_2e)	2,853.41	36.45
Energy consumption used to calculate emissions (kWh)	87,891	78,622

Intensity ratios based on 2021 total gross Scope 1, Scope 2 (Market-based) & Scope 3 emissions of 2863 tCO_2e:

- 1.08 tonnes (2020: 22kg) of CO_2e emitted for every GWh of electricity supplied to customers.
- 4.61 tonnes (2020: 68kg) of CO_2e emitted for each m^2 of office space.
- 7.83 tonnes (2020: 196kg) of CO_2e emitted for each Million pound of turnover.
- 38.69 tonnes (2020: 602kg) of CO_2e emitted for each Full Time Employee.

The Company used data that was collected to calculate its carbon footprint that was verified by independent climate consultancy EcoAct using the internationally recognised ISO 14064-3 standard. The Company has used the 2021 UK Government Conversion Factors for Company Reporting.

Section 172 statement
The Directors recognise the importance of the Company's stakeholders when performing their duties under section 172(1) of the Companies Act and their duties to act in the way they consider most likely to promote the success of the company.

The Directors consider that all their decisions are taken with the long-term in mind and that these decisions take into account the interests of all the Company's stakeholders, specifically its customers, staff, shareholder, suppliers and the environment.

<u>Customers</u>
Customers are of critical importance to the Company's success. The Directors require that the customer service team and dedicated account managers gather feedback on key issues faced by customers and are focussed on solving any problems they have. Customers are also engaged via the Company's website and an online portal to enable them to manage their account at their convenience. Regular customer surveys are also conducted, with the average score for 2021 being 4.7 out of 5 (2020: 4.9). Additionally, the Directors continue to improve customer service levels by prioritising additional investment of time and money in further development of back-office systems.

During the ongoing energy crisis, the Directors have ensured that the Company regularly engages with customers and Third-Party Intermediaries ("TPIs") to ensure they understand the impact on customers' costs.

Strategic report (continued)

Staff
Although staff are employed by the Company's parent, staff health and safety (including mental health) is a key priority. Staff are kept informed and engaged with via fortnightly all-staff meetings as well as regular anonymous surveys. Several formal groups meet on a regular basis and provide feedback to the Directors, including Employee Champions, Mental Health First Aiders, and Equality, Diversity and Inclusion Champions. This is underpinned by a comprehensive employee wellbeing policy and regular employee wellbeing initiatives supporting Goal 3 (Good Health and Wellbeing) of the UN SDGs. Further to this, the company became a Living Wage employer in 2021 to ensure everyone receives fair pay, including their contracted third-party staff.

Suppliers
The Directors ensure that the Company builds and maintains strong partnerships with suppliers as this underpins the provision of excellent service to customers. This is achieved through the use of Statkraft's Supplier Code of Conduct in all supplier contracts to ensure suppliers comply with the strong ethical principles embedded in the Company and the Statkraft Group. The Directors regularly meet with key suppliers, such as IT partners and TPIs, to collaborate on improving the delivery of services.

The environment
The Directors believe that consideration for the environment is at the core of the Company's purpose as its central activity is the provision of zero carbon electricity, which is a critical part of the fight against climate change. Furthermore, the Directors are developing the use of cutting-edge technology to support system-wide changes to the generation and consumption of electricity; this is achieved through the Company's development of optimisation controls activities. Further relevant activities are noted in the Corporate Social Responsibility and Energy and Carbo Reporting sections above.

Shareholder
As a 100% subsidiary of the Statkraft Group, the Directors constantly engage with senior management of the Group to ensure strategic alignment.

Principal risks and uncertainties
The management of the risks is based on a balance of risk and reward determined through careful assessment of both the potential likelihood and impact. The principal risks facing the Company are:

- Price and volume risk: the risk that the Company is exposed to market price movements during the term of the supply contract along with the volumetric risk associated with uncertainty in customers' consumption profiles arising from a wide variety of factors including the weather, economic factors and changing consumption patterns. This risk is mitigated through contractual terms agreed with customers and by being fully hedged through contracts with Statkraft's trading desk, using their expertise and portfolio diversity to limit commodity risks.
- Credit risk: the risk that aged and bad debt levels exceed expected values leading to significant losses and business failure. This is mitigated by detailed credit checks being carried out prior to signing up new customers, continuous monitoring of customers' credit status and detailed processes to follow up with customers who don't pay on time including letter cycles, debt collection agents and, ultimately, disconnection.

Strategic report (continued)

- IT security risk: the risk that IT security systems are compromised leading to business interruption, data loss and associated negative publicity. Additionally, there could be a risk of breaching data protection legislation. This is mitigated by implementation of information security policies aligned with the requirements of ISO27001 and the use of information security tools across our data landscape.
- Regulatory risk: the Company operates in a highly regulated sector therefore there is a risk that changes in law or regulation or failure to comply with these requirements leads to reputational damage or the loss of its Supply Licence. This risk is mitigated by the employment of experienced staff and external advisors and the operation of a strong compliance regime which monitors legal and regulatory developments to ensure appropriate training for staff and necessary amendments to operations within the business.
- Renewable supply risk: the risk that the Company is unable to meet its 100% renewable commitments to its customers due to an overall increase in the demand for renewable electricity from consumers and a limited increase in supply from new renewable projects. This risk is mitigated by working closely with Statkraft to source certified renewable power from generators, including Statkraft's own assets, across both the UK and Europe.

Approved by the Board of Directors and signed on its behalf by

Ian Brothwell
Director
29 September 2022

Directors' report

The directors present the annual report and the audited financial statements for the year ended 31 December 2021.

Covid-19 and going concern

Following on from deployment of the business continuity plan in 2020, all staff to continued to work productively throughout Covid-related lockdowns. The directors have continued to monitor cash flow forecasts and the impact of changing customer demand and industry costs on the business. The impact of Covid-19 on the wider economy was expected to lead to an increase in bad debt in the medium term, however, as in 2020, debt write-off during the year was extremely small. The directors will continue to closely monitor risks and uncertainties relating to the pandemic but believe that the measures implemented to date will enable the business to not only survive but continue to grow.

The Company has strong support from the Statkraft Group, including a significant overdraft facility and a letter of support from its parent. In 2021, the Statkraft Group reported profit before tax of 33 billion Norwegian Kroner and total equity of 108 billion Norwegian Kroner. On this basis the directors have a reasonable expectation that the Company has adequate resources to continue for at least 12 months from the date of approval of these financial statements. Thus, the directors continue to adopt the going concern basis in preparing the financial statements. Further detail regarding the adoption of the going concern basis can be found in note 2 of the financial statements.

Results for the year and dividends

The profit for the year after tax amounted to £312,811 (2020: loss of £1,868,027). The directors do not recommend the payment of a dividend (2020: no dividend paid).

Directors

The directors who held office during the period, except as noted, and up to the date of this report are shown in officers and professional advisors on page 2. There are no directors' indemnities.

Policy on financial risk management

The financial risk management of the Company is detailed in note 3 to the Company's financial statements.

Charitable and political donations

The Company made no charitable or political donations in the year.

Future outlook

The outlook for the Company is disclosed in the Strategic Report.

Post balance sheet events

Subsequent to the balance sheet date, the UK Government announced a package intended to support UK businesses through the recent energy price crisis. The Company fully supports the intention and operation of this scheme and believes that it will significantly reduce the difficulties caused by unprecedented and sustained high energy prices in the market.

Directors' report (continued)

Auditor

Each of the persons who is a director at the date of approval of this report confirms 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 steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate agreements are being made for them to be reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors and signed on its behalf by

Ian Brothwell
Director
29 September 2022

Statement of directors' responsibilities

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 elected to prepare the financial statements in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;

- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;

- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and

- make an assessment of the company's ability to continue as a going concern.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Bryt Energy Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Bryt Energy Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards [and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB)]; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:
- the income statement;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and IFRSs as issued by the IASB.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 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.

Independent auditor's report to the members of Bryt Energy Limited (continued)

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.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, 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 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.

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.

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. This description forms part of our auditor's report.

Independent auditor's report to the members of Bryt Energy Limited (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework[s] that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified a significant risk in accrued income i.e. its recognition in P&L could not be appropriately calculated. Focussed on Non-Half Hourly income given increased estimation and complexity. Our specific procedures performed to address it are described below:

- obtained an understanding of relevant controls the company has established in relation to revenue recognition.
- tested a sample of revenue transactions recognised in the year by agreeing to supporting documentation such as billed revenue, tying the underlying calculation of the revenue recognised to independent source (where appropriate); and
- understanding the nature of reconciling items where applicable

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Independent auditor's report to the members of Bryt Energy Limited (continued)

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Bryt Energy Limited (continued)

Use of our report

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

Anthony Matthews

Anthony Matthews FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

29 September 2022

Income statement for the year ended 31 December 2021

		Year ended 31 December 2021	*Year ended 31 December 2020*
		£	£
Revenue	*5*	365,453,049	223,938,847
Cost of Sales		(363,504,773)	(223,681,573)
Gross Margin		1,948,276	257,274
Administration expenses	*6*	(1,795,665)	(2,534,656)
Finance costs	*7*	(3)	(62,308)
Finance income	*7*	10,423	9,104
Profit/(Loss) before tax		163,031	(2,330,586)
Income tax	*8*	149,779	462,559
Profit/(Loss) after tax		**312,811**	**(1,868,027)**

The notes on pages 20 to 33 are an integral part of these financial statements.

The current and prior year results have been derived wholly from continuing operations.

There was no income or expense in either year presented other than that disclosed above. Accordingly, further analysis to show a Statement of Comprehensive Income is not presented.

Statement of financial position at 31 December 2021

	Note	31 December 2021	31 December 2020
		£	£
Non-current assets			
Intangible assets	9	835,797	869,947
Deferred tax assets	10	793,904	234,479
		1,629,701	1,104,426
Current assets			
Trade and other receivables	11	119,997,304	69,967,355
Cash and bank balances		13,478,919	4,318,002
		133,476,223	74,285,357
Total assets		**135,105,925**	**75,389,783**
Current liabilities			
Trade and other payables	13	134,867,266	78,543,498
Provisions	14	406,076	-
		135,273,341	78,543,498
Non-current liabilities			
Provisions	14	673,487	-
Total liabilities		**135,946,829**	**78,543,498**
Net liabilities		**(840,904)**	**(3,153,715)**
Equity			
Issued capital and share premium	12	2,000,100	100
Retained earnings		(2,841,004)	(3,153,815)
Total equity		**(840,904)**	**(3,153,715)**

The notes on pages 20 to 33 are an integral part of these financial statements. The financial statement were approved by the Board of Directors and authorised for issue on 29 September 2022. They were signed on its behalf by:

Ian Brothwell
Director

Statement of changes in equity for the year ended 31 December 2021

	Share capital £	*Retained earnings* £	*Total equity* £
Balance at 1 January 2021	100	(3,153,815)	(3,153,715)
Issued share capital	2,000,000		2,000,000
Total comprehensive income	-	312,811	312,811
Balance at 31 December 2021	**2,000,100**	**(2,841,004)**	**(840,904)**

Statement of changes in equity for the year ended 31 December 2020

	Share capital £	*Retained earnings* £	*Total equity* £
Balance at 1 January 2020	100	(1,285,788)	(1,285,688)
Total comprehensive expense		(1,868,027)	(1,868,027)
Balance at 31 December 2020	**100**	**(3,153,815)**	**(3,153,715)**

The notes on pages 20 to 33 are an integral part of these financial statements.

Statement of cash flows for the year ended 31 December 2021

		Year ended 31 December 2021	*Year ended 31 December 2020*
		£	£
Cash flows from operating activities			
Net cash generated by operating activities	15	**7,353,375**	**3,558,652**
Cash flows from investing activities			
Interest received		10,423	9,104
Interest payable		(3)	(62,308)
Payments for intangible assets		(202,880)	(298,350)
Net cash used in investing activities		**(192,460)**	**(351,554)**
Cash flows generated by financing activities			
Issue of share capital	11	2,000,000	-
Net increase in cash and cash equivalents		9,160,915	3,207,097
Cash and cash equivalents at the beginning of the year		4,318,002	1,110,905
Cash and cash equivalents at the end of the year		**13,478,918**	**4,318,002**

The notes on pages 20 to 33 are an integral part of these financial statements.

Notes to the Financial Statements

1. Corporate information

Bryt Energy Limited ("The Company") is a trading company and was incorporated on 6 May 2016 as a private limited company, limited by shares and registered in England and Wales with registered number 10167351. The Company is incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of the Company's registered office is 1 Victoria Square, Birmingham, B1 1BD.

The immediate parent undertaking is Statkraft Pure Energy Limited, which owns 100% of the Company's shares. Statkraft AS is the smallest group consolidating these financial statements. The largest group to consolidate these financial statements is Statkraft SF (incorporated in Norway).

Statkraft SF is the ultimate controlling party. Both of the group financial statements can be obtained from their registered offices which are at Lilleakerveien 6, Postboks 200, Lilleaker 0216, Oslo, Norway or www.statkraft.com.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and IFRIC interpretations as adopted by the United Kingdom. The financial statements have been prepared under the historical cost convention except for the revaluation of certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The preparation of financial statements requires the use of certain critical accounting estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The Company has elected to utilise the exemption in section 400 of the Companies Act 2006 and has not prepared consolidated financial statements. The financial statements of the Company and its subsidiary undertakings are consolidated in the financial statements of its parent, Statkraft AS, a company incorporated in Norway for which financial statements are publicly available from Statkraft AS, Lilleakerveien 6, Postboks 200, Lilleaker 0216, Oslo, Norway. These financial statements therefore present information about the Company as an individual entity.

Going Concern

The Company's business activities, together with the factors likely to affect its future development and performance are set out in the Strategic Report and the Directors' Report. The financial position of the Company is disclosed on page 15. Its financial risk management objectives and details of its exposure to credit and liquidity risk are disclosed in note 3.

The company is supported by funding from Statkraft Group. Considering all of the factors above, including review of the Company's cash flow forecasts and relationship with its shareholder, the directors have reasonable expectation that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.2 Functional and presentation currency

The functional currency for the Company is pounds sterling and is determined by the currency of the primary economic environment in which it operates. This is also the presentation currency of the Company. There were no foreign currency transactions during the reporting period.

2.3 Revenue recognition

Revenue is primarily derived from the Company's principal activity, the supply of zero carbon electricity. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. Revenues are recognised when the Company fulfils its performance obligation by transferring a promised good or service to a customer. Revenue is recognised over time as the customer simultaneously receives and consumes the energy supplied.

Customers are typically billed in the month following supply based on customer reads and industry settlement data with payment due in line with contracted payment terms. Unbilled revenue is calculated by applying contracted rates to volume estimates for unbilled periods.

Service fees are also derived as the licensed partner supplier to a white-label brand. The Company acts as an agent under IFRS15 in this transaction. Service fees are recognised in the month the service is provided. Consultancy fees are recognised as the work is carried out.

2.4 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and impairment. Amortisation is recognised on a straight-line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period with the effect of any changes in estimate being accounted for on a prospective basis.

Development costs are capitalised where there exists:

a) the technical feasibility of completing the intangible asset so that it will be available for use;
b) the intention to complete the intangible asset and use it;
c) the ability to use or sell the intangible asset;
d) the ability to generate probable future economic benefits through use;
e) the availability of adequate technical, financial and other resources to complete the development (e.g. business plan, availability of external finance) and to use intangible asset; and
f) the ability to measure the expenditure attributable to the intangible asset during its development reliably.

At each reporting date, the Company reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

2.5 Financial assets

Financial assets are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of a financial instrument. All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

2.5.1 Loans and other receivables

Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and other receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

2.5.2 Impairment of financial assets

Financial assets, other than those carried at fair value through the profit and loss account, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

2.5.3 Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.5.4 Cash and cash equivalents

Cash and cash equivalents represent deposits held with banks.

2.6 Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

2.6.1 *Equity*

Ordinary shares issued by the Company are recorded at the proceeds received, net of direct issue costs.

2.6.2 *Financial liabilities*

The Company does not hold any financial liabilities classified as held at fair value though profit or loss. Consequently, all financial liabilities are recognised as "other financial liabilities" and are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method.

2.6.3 *Derecognition of financial liabilities*

The Company derecognises a financial liability when, and only when, the Company's obligations are discharged, cancelled or they expire.

2.7 Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

2.8 Standards and interpretations

Any new or amended accounting standards that are not yet mandatory have not been early adopted and are not expected to have a significant impact on future reporting periods.

3. Financial risk management

The Company's activities expose it to a variety of financial risks such as:

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through optimisation of its debt to equity balance. The Company has, via its parent company Statkraft Pure Energy Limited, access to a long-term funding facility from Statkraft UK Limited, which is not repayable until the Company has generated sufficient cash. It also has an overdraft facility provided by Statkraft AS to manage short-term fluctuations in working capital.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk through its trade receivables due from its customers. This risk is mitigated by thorough credit checks made before signing up customers and continuous monitoring of customers' credit status and detailed processes to follow up with customers who don't pay on time including letter cycles, debt collection agents and ultimately disconnection.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet short-term financial demands. This is managed by access to a £20 million facility through membership of the Statkraft Group cash pooling facility.

Market risk

The Company is exposed to market price movements during the term of customer supply contracts arising from a wide variety of factors including the weather, economic factors and changing consumption patterns. This risk is mitigated by being fully hedged through contracts with Statkraft's trading desk, using their expertise and portfolio diversity to limit commodity risks.

4. Critical accounting judgements and key sources of estimation uncertainty

4.1 Critical judgements in applying the entity's accounting policies

Judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Deferred income tax assets

The Company recognises deferred income tax assets on carried forward tax losses to the extent that directors judge that there will be sufficient future taxable profits and/or taxable temporary differences against which the tax losses can be utilised. This judgement is inherently based on estimates, which may be different to actual future results.

Deferred tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised.

Bad debt provisioning

Trade debtors are stated net of a bad debt provision based on directors' judgement of the likelihood of non-payment of aged debt.

Development costs

Development costs have been capitalised where directors judge that the company has both the technical and financial resources to complete the project and use the resulting intangible asset. The company will be able to generate future economic benefits over the long terms through use.

4.2 Key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. These estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accrued revenue

Revenue is accrued for periods where customers have not yet been billed. Bills are typically raised in the month following consumption meaning the accrued revenue balance is almost exclusively less than or equal to 30 days old. Accrued revenue is calculated based on actual customer tariff rates and industry expected settlement data per customer from their last bill date to the year-end date.

5. Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	Year ended 31 December 2021 £	*Year ended 31 December 2020* £
Supply of electricity	365,353,184	223,815,207
Consultancy fees	74,950	20,845
Service fees	24,915	102,795
	365,453,049	223,938,847

All revenue was generated in the UK.

6. Loss before tax

The following items have been included in arriving at the loss before tax:

	Year ended 31 December 2021	*Year ended 31 December 2020*
	£	£
Amortisation	237,029	201,391
Fees payable to the Company's auditor for the audit of the annual financial statements	70,000	100,000
Loss allowance on trade receivables	(283,750)	920,471
Trade receivables written off	296,836	293,807

There were no non-audit fees (2020: £0).

7. Finance (costs)/income

	Year ended 31 December 2021	*Year ended 31 December 2020*
	£	£
Interest receivable on bank deposits	10,423	9,104

	Year ended 31 December 2021	*Year ended 31 December 2020*
Interest payable on bank deposits	(2,211)	(60,435)
Other interest received/(payable)	2,208	(1,873)
	(3)	(62,308)

8. Income tax

	Year ended 31 December 2021	Year ended 31 December 2020
Current Tax	£	£
Corporation tax	(40,758)	-
Current year group relief receivable	-	378,378
Prior year group relief adjustment	368,888	(121,258)
Total current tax	328,130	257,120
Deferred tax		
Current tax at tax rate of 25% (2020: 19%)	-	151,403
Adjust prior years' deferred tax to 25% tax rate	190,537	-
Release of prior year deferred tax balance	(368,888)	54,037
Total deferred tax	(178,351)	205,439
Total tax (charge)/credit for the year	**149,779**	**462,559**

	Year ended 31 December 2021	Year ended 31 December 2020
	£	£
Loss/(profit) before tax	(163,031)	2,330,586
Tax at 25%	(40,758)	442,811
Effects of:		
Expenses not deductible for tax purposes	-	86,969
Adjust prior years' deferred tax to 25% tax rate	190,537	-
Release of prior year deferred tax balance	(368,888)	(121,258)
Prior year group relief adjustment	368,888	54,037
Total tax for the year	149,779	462,559

Deferred tax is calculated at the tax rates that have been substantively enacted at the balance sheet date and which are expected to apply when the temporary differences reverse. The Finance Act 2021 set the main rate of Corporation Tax at 25% from April 2023. The closing deferred tax assets and liabilities at 31 December 2021 have been calculated at this 25% rate reflecting the tax rate at which the deferred tax assets and liabilities are expected to be utilised in future periods.

On 23 September 2022, the Chancellor of the Exchequer announced that the planned tax rate change to 25% would no longer be implemented and that the main rate would remain at 19%. Because the enacted rate at the balance sheet date was 25% this announcement does not represent an adjusting event and the company's deferred tax balances as at 31 December 2021 are still calculated at that higher rate. When recalculated at the lower 19% rate the deferred tax asset would reduce by approximately £190,000. This reduction will be recognised in 2022.

9. Intangible assets

Cost	Development	Total
Balance at 1 January 2021	1,213,809	**1,213,809**
Additions	202,880	**202,880**
Disposals	(39,904)	**(39,904)**
Balance at 31 December 2021	1,376,784	**1,376,784**
Accumulated amortisation		
Balance at 1 January 2021	(343,862)	**(343,862)**
Amortisation expense	(237,029)	**(237,029)**
Amortisation on disposals	39,904	**39,904**
Balance at 31 December 2021	(540,987)	**(540,987)**
Net balance at 31 December 2021	835,797	**835,797**

Cost	Development	Total
Balance at 1 January 2020	915,459	**915,459**
Additions	298,350	**298,350**
Balance at 31 December 2020	1,213,809	**1,213,809**
Accumulated amortisation		
Balance at 1 January 2020	(142,471)	**(142,471)**
Amortisation expense	(201,391)	**(201,391)**
Balance at 31 December 2020	(343,862)	**(343,862)**
Net balance at 31 December 2020	869,947	**869,947**

There is no amortisation relating to certain capitalised development costs as the projects are ongoing at the year end. Amortisation will begin once the projects are completed.

10. Deferred tax asset

	Year ended 31 December 2021	Year ended 31 December 2020
Balance at 1 January	234,479	29,039
Utilisation of historical losses	-	54,037
Adjust prior years' deferred tax to 25% tax rate	190,537	-
Prior year group relief adjustment	368,888	-
Profit and loss account	-	151,403
Balance at 31 December	793,904	234,479

A deferred tax asset has been recognised as the losses will either be group relieved to other group companies or utilised against future profits. Utilisation of historical losses refers to movements in group relief related to prior year losses. Profit and loss account represents current year losses not expected to be group relieved.

11. Trade and other receivables

	Year ended 31 December 2021	Year ended 31 December 2020
	£	£
Trade receivables	54,538,617	30,260,846
Provision for bad debt	(1,350,850)	(1,634,600)
Net trade receivable	53,187,767	28,626,246
Amounts owed by intercompany parties	18,354,062	15,252,673
Accrued income	46,390,520	25,227,743
Other debtors	1,816,494	695,544
Prepayments	248,462	165,148
	119,997,304	69,967,355

Trade receivables have increased significantly over the previous year in line with the increase in revenue. The directors consider that the carrying value of trade and other receivables approximately equals their fair value.

Trade receivables are stated net of bad debt provision. At the year-end 87% of the trade debtor balance was less than 30 days old, 10% was between 31 and 60 days old. The remaining 3% was more than 60 days old.

Accrued income represents unbilled revenue from electricity supply.

No interest is charged on amounts charged by intercompany parties.

12. Share capital

	Year ended 31 December 2021	Year ended 31 December 2020
	£	£
Allotted, called up and fully paid		
100 shares of £1 each	2,000,100	100

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption. On 16 July 2021 the Company issued 2,000,000 ordinary shares, each with a nominal value of £1.

13. Trade and other payables

	Year ended 31 December 2021	Year ended 31 December 2020
	£	£
Accounts payable	957,218	1,252,156
Amounts owed to intercompany parties	62,348,304	21,688,303
Industry cost accruals	54,727,936	38,013,637
Audit accrual	160,000	120,000
VAT & CCL liability	13,886,540	16,862,173
Corporation tax liability	40,758	-
Other expense accruals	189,489	96,747
Other payables	2,557,021	510,482
	134,867,266	78,543,499

Trade payables and accruals comprise amounts outstanding for trade purchases and ongoing costs. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. All liabilities recorded above are expected to be settled within twelve months of the reporting date and hence all are disclosed as current liabilities.

Interest is not charged on trade payables, including on amounts owed to intercompany parties. The majority of the balance owed to intercompany parties is accruals for the purchase of energy from a group company. This is payable within two months.

Other payables contains security deposits received from customers.

14. Current and non-current provisions

	Year ended 31 December 2021	Year ended 31 December 2020
	£	£
Balance at 1 January	-	-
Provision for onerous contracts within one year	406,076	-
Provision for onerous contracts over one year	673,487	-
Balance at 31 December	1,079,563	-

A provision was recognised during the year for losses expected on contracts signed with customers where the unavoidable costs of meeting the obligations under the contracts exceed the economic benefits expected to be received. The provision will be unwound over the respective contract lives.

15. Net cash generated from operating activities

		Year ended 31 December 2021	Year ended 31 December 2020
		£	£
Profit/(Loss) before tax for the year		163,031	(2,330,586)
Adjustments for:			
Amortisation	9	237,029	201,391
Finance income	7	(10,423)	(9,104)
Finance costs	7	3	62,308
Operating cash flow before movements in working capital		389,640	(2,075,991)
Increase in trade and other receivables	11	(46,928,560)	(20,224,133)
Increase in trade and other payables	13	15,623,008	27,820,232
Increase in intercompany receivables	11	(3,101,389)	(5,572,985)
Increase in intercompany payables	13	40,660,001	3,354,410
Increase in provisions	14	1,079,563	-
Cash generated by operations		7,722,263	3,301,532
Group relief of tax losses		(368,888)	257,120
Net cash generated from operating activities		7,353,375	3,558,652

16. Directors' emoluments

During the year the Company had 8 directors (2020: 10) but their emoluments were borne by the parent company, Statkraft Pure Energy Limited, and none of their fee was apportioned to the Company.

17. Employee costs

The company had no employees during either year. All employee costs relating to the performance of the business are borne by the parent company, Statkraft Pure Energy Limited.

18. Related party transactions

The following transactions were carried out with related parties:

	Year ended 31 December 2021	*Year ended 31 December 2020*
	£	£
(a) Recharged expenses:		
Recharges to parent company	13,141	9,862
Recharges to other group companies	-	4,359
(b) Recharged expenses:		
Recharges from parent company	396,479	386,925
Recharges from other group companies	188,923,845	103,730,277
(c) Year-end balances arising from income and expenses with related parties:		
Receivables from related parties		
Parent company	18,290,222	14,802,081
Other group companies	31,629	450,592
Payables to related parties		
Parent company	3,658,780	1,262,301
Other group companies	58,689,525	20,426,003

The company acts as agent for a white label agreement with Statkraft Markets GmbH. This involves the transferring of advances to cover industry charges, VAT and Climate Change Levy which amounted to £2.3m in the year ended 31 December 2021.

19. Financial instruments

	Year ended 31 December 2021	*Year ended 31 December 2020*
	£	£
Fair value of financial instruments - loans and receivables		
Financial assets measured at amortised cost		
Trade and other receivables	119,997,304	69,967,355
Cash and bank balances	13,478,919	4,318,002
	133,476,223	74,285,357
Financial liabilities measured at amortised cost		
Trade and other payables	134,857,484	78,543,498
	134,857,484	78,543,498

The carrying value of all financial assets and liabilities closely approximate their fair value. Cash and bank balances comprise balances held with banks. Since the balances mature in less than 90 days, the carrying value is considered to be fair value.
All the above financial instruments are accounted for as financial assets and liabilities measured at amortised cost in accordance with IFRS 9.

20. Post balance sheet events

Subsequent to the balance sheet date, the UK Government announced a package intended to support UK businesses through the recent energy price crisis. The Company fully supports the intention and operation of this scheme and believes that it will significantly reduce the difficulties caused by unprecedented and sustained high energy prices in the market.

21. Parent and ultimate parent undertakings

The immediate parent undertaking is Statkraft Pure Energy Limited, which owns 100% of the Company's shares. Statkraft AS is the smallest group consolidating these financial statements. The largest group to consolidate these financial statements is Statkraft SF (incorporated in Norway).

Statkraft SF is the ultimate controlling party. Both of the group financial statements can be obtained from their registered offices which are at Lilleakerveien 6, Postboks 200, Lilleaker 0216, Oslo, Norway or www.statkraft.com.