

ENERGY ASSETS UTILITIES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
REGISTERED NO: 03824498

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Energy Assets Utilities Limited

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Energy Assets Utilities Limited

Strategic report For the year ended 31 March 2022

The Director presents the strategic report of Energy Assets Utilities Limited for the year ended 31 March 2022.

Principal activities

Energy Assets Utilities Limited is a Multi-Utility Infrastructure Provider involved in the design and construction of utility networks and infrastructure direct to commercial and residential developers. This is not anticipated to change in the near future.

Business review

A full review of the Energy Assets Group business model, strategy and performance has been included in the Energy Assets Group Holdings Limited consolidated financial statements for the year ended 31 March 2022.

In relation to the Company, the key performance indicator used by management is operating profit which in the current year is a loss of £2.5m (2021: £4.5m loss). This indicator is regularly shared with representatives of the ultimate Parent Company. For the year ended 31 March 2022, revenue was £10.8m compared to £10.9m in the prior year. Loss before taxation was £2.5m (2021: £4.5m loss).

There are also a number of key performance indicators considered by management at a Group level. For details please refer to the Annual Report and Accounts of Energy Assets Group Holdings Limited for the year ended 31 March 2022.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks and uncertainties including competition from other suppliers and changes in government policy. For full details please refer to the Annual Report and Accounts of Energy Assets Group Holdings Limited for the year ended 31 March 2022.

Future developments

Management continues their active discussions regarding potential new business with those requiring the Energy Assets service.

The strategic report was approved and signed by the sole Director:



David Taylor
Chief Executive Officer
2 December 2022

Energy Assets Utilities Limited

Director's report For the year ended 31 March 2022

The Director presents his report and the unaudited financial statements of Energy Assets Utilities Limited for the year ended 31 March 2022.

Results and dividends

The results for the year to 31 March 2022 are set out in the statement of comprehensive income on page 6 and have been discussed alongside the future developments of the Company in the Strategic Report on page 2. No dividend was declared in the current year (2021: £nil).

Directors

The directors who held office during the year and up to the date of signing of the financial statements, unless otherwise stated, are:

D Taylor (appointed 4 May 2022)
L Sutura (appointed 5 October 2021, resigned 4 May 2022)
C Topley (resigned 11 November 2022)
C Lynch (resigned 17 November 2021)

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force at the date of signing the financial statements.

COVID 19

Over the financial year, the ongoing spread and development of the COVID-19 pandemic presented a potentially significant risk to the business. The Company, however, successfully implemented its Business Continuity Plan and actively monitored the ever changing situation closely allowing the business to adapt to the ongoing changes quickly and efficiently. The Executive Committee met frequently and, where appropriate, agreed mitigating actions to ensure business continuity and in particular the delivery of continued employee and customer obligations.

As a consequence, there was an inevitable impact on the financial results of the Company in the year ended 31 March 2021, particularly in the first few months of the financial year when all non-essential construction works were halted. However, growth plans are in place to grow the business back to 2020 levels and beyond.

As the business moves towards a hybrid working model, management will continue to monitor developments and are prepared to respond if the situation develops further.

Going concern

A period of twelve months from the date of approval of the financial statements has been considered and the likely performance of the business and possible alternative outcomes has been assessed alongside the financing facilities available to the Company, compliance with financial covenants and the possible actions able to be taken should new facilities not be available in the future.

Having taken all of these factors into consideration, the Director confirms that forecasts and projections indicate that the Company has adequate resources for the foreseeable future and at least for the period of 12 months from the date of this report. Accordingly, the financial statements have been prepared on a going concern basis.

Energy Assets Utilities Limited

Director's report For the year ended 31 March 2022 (continued)

Financial risk management

The Company is exposed to a variety of financial risks that include liquidity risk, credit risk and interest rate risk, however, conservative treasury policies are operated. For full details please refer to the Annual Report and Accounts of Energy Assets Group Holdings Limited for the year ended 31 March 2022.

Employees

Energy Assets is an equal opportunities employer and our employees and applicants are treated fairly and equally regardless of their age, colour, creed, disability, full or part-time status, gender, marital status, nationality or ethnic origin, race, religion or sexual orientation.

Applications from people with disabilities are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of any members of Energy Assets staff becoming disabled, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is Company policy that the training, career development and promotion of people with disabilities should, as far as possible, be identical to that of other employees.

The Company places considerable value on the involvement of its employees and continues to keep them informed on matters affecting them and the performance of the business. This is achieved through regular communications, briefings and formal and informal meetings.

Subsequent events

There have been no events which have taken place after the balance sheet date but before the date of signing which are considered to give significant and further information relevant to these financial statements.

Statement of director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Energy Assets Utilities Limited

Director's report For the year ended 31 March 2022 (continued)

The director is also 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.

The director's report was approved and signed by the sole Director:



David Taylor
Chief Executive Officer
2 December 2022

Energy Assets Utilities Limited

Statement of comprehensive income For the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Revenue	4	10,780	10,871
Cost of sales		(14,041)	(10,942)
Gross loss		(3,261)	(71)
Attributable to:			
Gross loss before exceptional items		(2,881)	(71)
Exceptional costs of reorganisation	7	(380)	-
Gross loss		(3,261)	(71)
Exceptional waiver of intercompany debt balances	7	1,393	-
Administrative expenses		(620)	(4,465)
Operating loss	5	(2,488)	(4,536)
Attributable to:			
Operating loss before exceptional administrative items		(2,229)	(4,536)
Exceptional costs of reorganisation	7	(259)	-
Operating loss		(2,488)	(4,536)
Finance costs		(5)	-
Loss before taxation		(2,493)	(4,536)
Tax on loss	8	10	43
Loss and total comprehensive expense for the financial year		(2,483)	(4,493)

All operations are continuing operations.

The notes on pages 9 to 19 form an integral part of these financial statements.

Energy Assets Utilities Limited

Balance sheet As at 31 March 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Tangible assets	9	14	-
Right-of-use assets	10	37	-
		<u>51</u>	<u>-</u>
Current assets			
Deferred tax asset	11	59	49
Stock	12	776	84
Debtors	13	3,295	4,989
Cash and cash equivalents		497	2,287
		<u>4,627</u>	<u>7,409</u>
Creditors amounts falling due within one year	14	(9,713)	(9,961)
Net current liabilities		(5,086)	(2,552)
Net liabilities		(5,035)	(2,552)
Capital and reserves			
Called up share capital	15	2	2
Accumulated losses		(5,037)	(2,554)
Total shareholder's funds		(5,035)	(2,552)

The notes on pages 9 to 19 form an integral part of these financial statements.

For the year ended 31 March 2022, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements on pages 6 to 19 were approved by the sole Director on 2 December 2022 and were signed by:



David Taylor
Chief Executive Officer

Energy Assets Utilities Limited
Registered number: 03824498

Energy Assets Utilities Limited

Statement of changes in equity For the year ended 31 March 2022

	Share capital £'000	Retained earnings £'000	TOTAL £'000
At 1 April 2020	2	1,939	1,941
Loss for the year	-	(4,493)	(4,493)
Total comprehensive expense for the year	-	(4,493)	(4,493)
At 31 March 2021	2	(2,554)	(2,552)
At 1 April 2021	2	(2,554)	(2,552)
Loss for the year	-	(2,483)	(2,483)
Total comprehensive expense for the year	-	(2,483)	(2,483)
At 31 March 2022	2	(5,037)	(5,035)

The notes on pages 9 to 19 form an integral part of these financial statements.

Energy Assets Utilities Limited

Notes to the financial statements For the year ended 31 March 2022

1) General information

Energy Assets Utilities Limited is a Multi-Utility Infrastructure Provider involved in the design and construction of utility networks and infrastructure direct to commercial and residential developers.

Energy Assets Utilities Limited is a private limited company incorporated on 9 August 1999 in England and Wales, where it is domiciled. Copies of these financial statements are available from the registered office at Ship Canal House, 98 King Street, Manchester, M2 4WU.

2) Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently throughout the year unless otherwise stated.

Basis of preparation

The financial statements of Energy Assets Utilities Limited have been prepared in accordance with The Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

The financial statements have been prepared under the historical cost convention, as modified by financial assets and liabilities at fair value through profit or loss, and in accordance with the Companies Act 2006.

The preparation of the financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. 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 following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IAS 1 *Presentation of financial statements* paragraph 10(d) (statement of cash flows);
- IAS 1 *Presentation of financial statements* paragraph 16 (statement of compliance with IFRS);
- IAS 1 *Presentation of financial statements* paragraph 38A (requirement for a minimum of two primary statements, including cash flow statements);
- IAS 1 *Presentation of financial statements* paragraph 38B-D (additional comparative information);
- IAS 1 *Presentation of financial statements* paragraph 111 (cash flow statement information);
- IAS 1 *Presentation of financial statements* paragraph 134-136 (capital management disclosures);
- IAS 7 *Statement of cash flows*;
- IAS 8 *Accounting policies, changes in accounting estimates and errors* paragraph 30 and 31 (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- IAS 24 *Related party disclosures* with regard to the requirements to disclose related party transactions entered into between two or more members of a Group and paragraph 17 (key management compensation); and
- IFRS 7 *Financial instruments: Disclosures*.

Energy Assets Utilities Limited

Notes to the financial statements For the year ended 31 March 2022 (continued)

2) Summary of significant accounting policies (continued)

Going concern

A period of twelve months from the date of approval of the financial statements has been considered and the likely performance of the business and possible alternative outcomes has been assessed alongside the financing facilities available to the Company, compliance with financial covenants and the possible actions able to be taken should new facilities not be available in the future.

Having taken all of these factors into consideration, the Director confirms that forecasts and projections indicate that the Company has adequate resources for the foreseeable future and at least for the period of 12 months from the date of this report. Accordingly, the financial statements have been prepared on a going concern basis.

New standards, amendments and IFRIC interpretations

No new accounting standards, amendments to accounting standards or IFRIC interpretations that are effective for the year ended 31 March 2022 have had a material impact on the Company.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and/or accumulated impairment losses where applicable.

Depreciation is calculated on a straight-line basis to allocate cost to residual values over the estimated useful life of the asset as follows:

Fixtures, fittings and equipment	over 3 years
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The residual values, useful lives and methods of depreciation for all assets are reviewed at each financial year end and adjusted if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.

Repairs and maintenance costs are recognised in the income statement as incurred.

Impairment of non-financial assets

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets that do not individually generate cash flows are assessed as part of the cash generating unit to which they belong. A cash generating unit is a group of assets at the lowest level for which there are separately identifiable cash flows that are largely independent of the cash flows from other assets or groups of assets.

Energy Assets Utilities Limited

Notes to the financial statements For the year ended 31 March 2022 (continued)

2) Summary of significant accounting policies (continued)

Where impairment is recorded for property, plant and equipment and intangible assets (other than goodwill) there is the possibility of reversal if conditions giving rise to the impairment change and this is assessed at each financial period end.

Inventories

Stocks are valued at the lower of cost and net realisable value.

Trade receivables

Trade receivables are amounts due from customers for services performed in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate, where the effect is material. Trade receivables are shown net of any provision for impairment.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate where the effect is material.

Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is charged or credited directly to other comprehensive income or equity if it relates to items that are credited or charged to equity. Otherwise tax is recognised in the income statement.

The current income tax charge is measured based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Current tax assets or liabilities on the balance sheet are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except for deferred tax liabilities arising from the initial recognition of goodwill.

Energy Assets Utilities Limited

Notes to the financial statements For the year ended 31 March 2022 (continued)

2) Summary of significant accounting policies (continued)

Deferred income tax is measured, on an undiscounted basis, using tax rates and laws that are enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are presented net only if there is a legally enforceable right to set off current tax assets against current tax liabilities and if the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts and VAT.

Revenue is recognised when performance obligations have been satisfied being when the Company fulfils its contractual obligations to customers by supplying services or when it has the right to receive the income. Any payment received in advance of supplying the service is deferred until the service has been provided. There are no significant financing components included within any of the Company's revenue streams.

Construction

Revenue represents payments received or receivable for engineering services provided for the design and delivery of utility networks, new connection infrastructure and related meter installations. Revenue is recognised at the point at which the service has been provided to the customer. For longer term contracts, revenue is recognised in the accounting period in which the services are rendered based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. A number of relevant factors, including stage of completion, will be taken into consideration when determining the amount of revenue to be recognised.

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change and any resulting increases or decreases in estimated revenues or costs are reflected in the income statement in the period in which the circumstances that give rise to the revision become known by management.

Energy Assets Utilities Limited

Notes to the financial statements For the year ended 31 March 2022 (continued)

2) Summary of significant accounting policies (continued)

Employee benefits

The Company contributes to a stakeholder pension scheme for eligible employees on a defined contribution basis. This is managed separately on the Company's behalf and the cost is charged to the income statement as the right to the contributions accrues. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay employee benefits as they arise. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Company recognises a liability and an expense for bonuses and profit sharing accruing to employees in relation to the financial year then ended. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Leases

As a lessee, the Company leases a property which is disclosed as a right of use asset.

Lease contracts are typically entered into for fixed periods of between one and ten years but may have break options or extension options.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Energy Assets Utilities Limited

Notes to the financial statements For the year ended 31 March 2022 (continued)

2) Summary of significant accounting policies (continued)

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Company also has certain leases of vehicles and office equipment with lease terms of less than twelve months and low values items relating to IT equipment. Accordingly, the Company applies the short term lease and low value assets recognition exemptions for these leases. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the income statement.

Exceptional items

Items that are material or non-recurring and whose significance is sufficient to warrant separate disclosure and identification within the financial information are referred to as exceptional items. Items that may give rise to classification as exceptional items include, but are not limited to, significant and material restructuring, closures and reorganisation programmes, asset impairments and profits or losses on the disposal of businesses.

3) Critical accounting estimates and judgements

In the process of applying the Company's accounting policies, management has used its judgement and made estimates and assumptions in determining the amounts recognised in the financial statements. These estimates and assumptions can affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from these estimates. Estimates and 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.

The most significant area where judgements and estimates are made is currently in relation to the revenue recognition.

Revenue is recognised when the Company fulfils its contractual obligations to customers by supplying services or when it has the right to receive the income. Any payment received in advance of supplying the service is deferred until the service has been provided. Given the length of projects undertaken by the Company, processes and recognition criteria have been put in place to ensure appropriate levels of income are recognised based on the stage of completion of each project. This exercise is undertaken by a qualified quantity surveyor who has the appropriate levels of training and knowledge required to complete the assessment.

Energy Assets Utilities Limited

Notes to the financial statements For the year ended 31 March 2022 (continued)

4) Revenue

The total revenue for the year has been derived from the Company's principal activity, being the design and construction of utility networks and infrastructure, and all sales are undertaken in the UK.

Revenue of £3.3m was received from a separate single external customer.

The Company has recognised the following assets and liabilities related to contracts with customers:

	2022	2021
	£'000	£'000
Current contract assets	2,446	1,509
Contract liabilities	(2,803)	(3,266)

In the current year, revenue of £2.2m (2021: £2.4m) was recognised which relates to carried forward contract liabilities. At 31 March 2022, the Company expects to recognise future revenue of circa £12.9m (2021: £21.3m) in relation to contracts which have commenced but not yet completed.

5) Operating loss

	2022	2021
	£'000	£'000
Operating loss is stated after charging:		
Wages and salaries	5,835	4,983
Social security costs	511	506
Other pension costs	192	166
Staff costs	6,538	5,655
Depreciation	32	-

The Directors do not receive any remuneration for the services they provide to the Company.

6) Employee information

The average monthly number of employees during the year/period was:

	2022	2021
	Number	Number
Installation	67	79
Administration	94	71
	161	150

Energy Assets Utilities Limited

Notes to the financial statements For the year ended 31 March 2022 (continued)

7) Exceptional items

Items that are material because of their size or nature, non-recurring and whose significance is sufficient to warrant separate disclosure and identification within the financial statements are referred to as exceptional items. The separate reporting of exceptional items helps to provide an understanding of the Company's underlying performance.

During the year, the wider Energy Assets Group has successfully finalised a corporate-wide reorganisation which has delivered significant efficiencies and enabled intra-group synergies, creating optimal conditions for sustainable growth in future years. Exceptional reorganisation costs of £0.6m have been incurred within Energy Assets Utilities Limited in relation to this of which £0.4m is included within cost of sales and £0.2m within administrative expenses.

A cleansing exercise was also undertaken on group intercompany debt balances resulting in the waiver of amounts due by Energy Assets Utilities Limited to other group companies (£1.4m).

8) Tax on loss

	2022 £'000	2021 £'000
Deferred tax:		
Adjustments in respect of prior years	(26)	-
Impact of change in tax rate	15	-
Origination and reversal of timing differences	21	43
Total deferred tax	10	43
Tax credit on loss	10	43

The tax on the Company's loss before taxation differs from the theoretical amount that would arise using the weighted average tax rate applicable to results of the entity as follows:

	2022 £'000	2021 £'000
Loss before taxation	(2,493)	(4,536)
Tax calculated at domestic tax rate applicable to profits (19%)	474	862
Effects of:		
Group relief	(753)	(817)
Income/expenses not chargeable/deductible	265	(2)
Impact of change in tax rate	14	-
Other adjustments	36	-
Adjustments in respect of prior years	(26)	-
Total tax credit for the year	10	43

Factors affecting current and future tax charges/credits

It was announced in the UK Government's budget on 3 March 2021 that the main UK Corporation tax rate will increase from 19% to 25% from 1 April 2023. This legislative change was enacted on 10 June 2021. The closing deferred tax assets and liabilities have therefore been recalculated taking into account this change of rate and the applicable period the deferred tax assets and liabilities are expected to crystallise.

Energy Assets Utilities Limited

Notes to the financial statements For the year ended 31 March 2022 (continued)

9) Tangible assets

	Fixtures and fitting £'000
Cost	
At 1 April 2021	-
Additions	18
At 31 March 2022	18
Accumulated depreciation	
At 1 April 2021	-
Charge for the year	4
At 31 March 2022	4
Net book value	
At 31 March 2022	14
At 31 March 2021	-

10) Leases

The balance sheet shows the following amounts relating to leases:

	2022 £'000	2021 £'000
Right-of-use assets		
Properties	37	-
Lease liabilities		
Current	39	-
Non-current	-	-
	39	-

Additions to the right of use assets during the year ended 31 March 2022 were £0.04m (2021: £nil).

The income statement shows the following amounts in relation to leases:

	2022 £'000	2021 £'000
Depreciation charge of right of use assets		
Properties	28	-
Interest expense (included in finance cost)	5	-
Expenses relating to low value assets that are not shown above as short-term leases (included in administrative expenses)	-	-

Energy Assets Utilities Limited

Notes to the financial statements For the year ended 31 March 2022 (continued)

11) Deferred tax asset

The analysis of deferred tax assets is as follows:

	2022 £'000	2021 £'000
Deferred tax assets:		
Deferred tax asset to be recovered after more than 12 months	59	49

The movement in deferred tax assets during the year is as follows:

	Other timing differences £'000
At 1 April 2021	49
Credited to income statement	10
At 31 March 2022	59

Deferred tax assets have not been discounted.

12) Stock

	2022 £'000	2021 £'000
Raw materials	776	84

13) Debtors

	2022 £'000	2021 £'000
Trade receivables	632	997
Amounts owed by Group undertakings	96	2,436
Other debtors	105	22
Prepayments and accrued income	2,462	1,534
	3,295	4,989

Trade receivables are stated after provisions for impairment of £0.2m (2021: £nil).

Amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

14) Creditors amounts falling due within one year

	2022 £'000	2021 £'000
Trade payables	1,482	632
Amounts owed to Group undertakings	3,448	5,035
Taxation and social security	78	301
Accruals and deferred income	4,561	3,947
Lease liability	39	-
Other creditors	105	46
	9,713	9,961

Amounts owed to Group undertakings are unsecured, interest free and are repayable on demand.

Energy Assets Utilities Limited

Notes to the financial statements For the year ended 31 March 2022 (continued)

15) Called up share capital

	2022 £'000	2021 £'000
Allotted and fully paid		
2,000 (2021: 2,000) ordinary shares of £1 each	2	2

16) Ultimate parent undertaking

At 31 March 2021, the immediate parent undertaking of Energy Assets Utilities Limited was Energy Assets Utilities Group Limited. During the financial year, Energy Assets Utilities Group Limited transferred ownership of the entire share capital of Energy Assets Utilities Limited to Energy Assets Midco Limited, another group company. Energy Assets Midco Limited is now the immediate parent undertaking of Energy Assets Utilities Limited.

The Company's ultimate parent and controlling party is Energy Assets Group Holdings Limited, a company registered in England and Wales. Energy Assets Group Holdings Limited is the ultimate parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Energy Assets Group Holdings Limited consolidated financial statements can be obtained from the registered office at Ship Canal House, 98 King Street, Manchester, England, M2 4WU.

Energy Assets Group Holdings Limited is immediately owned by Cadence Midco Limited and C72 SAS and is indirectly owned by Asterion Industrial Infra Fund I, FCR, EDF Invest and Swiss Life Funds through a series of intermediate holding companies.