

Company Registration No. 06882734 (England and Wales)

**BES COMMERCIAL ELECTRICITY LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2021**

# BES COMMERCIAL ELECTRICITY LTD

## COMPANY INFORMATION

---

|                          |   |                            |
|--------------------------|---|----------------------------|
| <b>Directors</b>         | M C Davidson<br>A J Pilley<br>J R Pilley  | (Appointed 24 August 2020) |
| <b>Secretary</b>         | M C Davidson  |                            |
| <b>Company number</b>    | 06882734  |                            |
| <b>Registered office</b> | Parkside Stand<br>Fleetwood Town Football Club<br>Park Avenue<br>Fleetwood<br>Lancashire<br>FY7 6TX                 |                            |
| <b>Auditor</b>           | Cowgill Holloway LLP<br>Regency House<br>45-53 Chorley New Road<br>Bolton<br>BL1 4QR                                |                            |
| <b>Business address</b>  | Parkside Stand<br>Fleetwood Town Football Club<br>Park Avenue<br>Fleetwood<br>Lancashire<br>FY7 6TX                 |                            |
| <b>Bankers</b>           | Lloyds Bank Plc<br>2-12 Lord Street<br>Liverpool Law Courts<br>Merchants Court<br>Liverpool<br>Merseyside<br>L2 1TS |                            |
| <b>Solicitors</b>        | Weightmans LLP<br>3 Picadilly Place<br>Manchester<br>M1 3BN   |                            |

---

# **BES COMMERCIAL ELECTRICITY LTD**

## **CONTENTS**

---

|                                   | <b>Page</b> |
|-----------------------------------|-------------|
| Strategic report                  | 1 - 4       |
| Directors' report                 | 5 - 7       |
| Independent auditor's report      | 8 - 11      |
| Statement of comprehensive income | 12          |
| Balance sheet                     | 13          |
| Statement of changes in equity    | 14          |
| Notes to the financial statements | 15 - 27     |

---

# **BES COMMERCIAL ELECTRICITY LTD**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 30 APRIL 2021***

---

The directors present the strategic report for the year ended 30 April 2021.

### **Business Review**

BES Commercial Electricity Ltd has seen total electricity consumption within the portfolio decline which is attributable to a combination of factors; seasonal variation versus the previous year; slight decline in average customer size and COVID-19 lockdowns. The overall business performance was in line with the Directors' expectations. Turnover for the year was £62.1m (2020: £77.8m) a decrease of 20%. This decrease is due to the lockdowns that were enforced throughout the year. The business model and target market remain consistent with the prior year, and the business offers Fixed Rate or Market Tracker products to a predominantly SME and small corporate customer base.

The financial year covered by these accounts saw the continued effect of COVID-19 lockdowns, during the lockdown period we observed a reduction in income. This alongside a delay in the reduction in industry costs resulted in difficult trading conditions for the industry and highlighted the necessity to reduce administration costs where possible. Following cost saving measures implemented we have seen the business return to a strong position and a profitable outlook for future years.

The overall balance sheet value continues to remain strong at £13.6m (2020: £11.2m) and the directors are satisfied with this, believing it places the company in a strong and stable position financially for the future.

### **Objectives and Strategy**

The objective of the company is to deliver long term value to the owners. The Board's strategy to achieve this is based upon the following principles:

- Continued growth by continuing to offer relevant, competitively priced products into core markets, underpinned by high quality service for customers.
- Commitment to the rollout of smart metering and other industry initiatives to improve the accuracy of billing and customer experience.
- To attract, retain and develop exceptional senior managers to continuously improve the organisation's capabilities and present challenge to the dominant suppliers in the market.
- Diversification into new market segments or adjacent markets to support growth and spread risk.

# **BES COMMERCIAL ELECTRICITY LTD**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2021**

---

### **Principal risks and uncertainties**

The company seeks to manage risk through a combination of Board oversight, operational routines, and policies and the principal risks are aggregated as follows:

#### **Commodity risk**

Commodity risk being the risk of volatility in the price of wholesale energy impacting customer margins. The company seeks to manage this risk by utilising forward energy contracts that align to the term and pricing of customer contracts.

#### **Liquidity risk**

The risk that the company is unable to meet its financial obligations due to insufficient credit or cash reserves. This is managed on a short and long term basis with reference to internal working capital strategies and access to external funding.

#### **Credit risk**

The risks of bad debt from the customer portfolio and the risk of failure of a counterparty or supplier to meet its contractual obligations. A credit onboarding process is followed for new customers, which predominantly included direct debit as the principal means of payment and trade debtors are monitored on an ongoing basis. To reduce this risk further 25 additional field agents have been subcontracted to ensure that debts can be collected on a timely basis.

#### **Brexit risk**

Following the UK leaving the European Union on 31 January 2020, uncertainty has increased surrounding the outlook of the UK economy. Although at present there appears to be minimal impact on consumer confidence, this uncertainty may ultimately impact on market confidence and as a result could potentially impact on the demand and price for products/services, which in turn may affect revenue, profit and cash flow.

#### **Coronavirus risk**

At the time of filing we are still faced with the effect of Coronavirus (COVID19). We now appear to be past the worst effects of the lockdowns and the suppression of the economy. We have observed in recent months the opening of the economy and increase in trade.

Whilst no one can predict the future impact on the economy, the company has made steps to ensure the company will emerge from the pandemic in a strong place. This includes eliminating unnecessary meetings and travel, preparations in case employees are recommended to self-isolate, implementing improved hygiene processes and protecting the company's liquidity. The company is monitoring the situation and is in continuing close liaison with both its trading partners and its employees.

From a financial perspective, the company has utilised the available payment deferral schemes offered by HM Revenue and Customs to ease cash flow and has now made significant repayments of the amounts deferred.

# BES COMMERCIAL ELECTRICITY LTD

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2021**

---

### Industry specific risks

The UK non-domestic supply market is highly competitive, and while risk is present in all markets, this continues to be an attractive place to do business.

Operating in a regulated market opens up regulatory and political risks as well as costs, and it is a feature of normal operations that such risks, costs and changes must be accommodated, albeit that they may cause disruption and/or prices changes for customers.

The business has continued to mitigate the risks noted above through the following strategies:

- Ensuring the business has the right skills and capabilities to monitor and maintain compliance with regulatory requirements.
- Offering products that pass or share risk with end users combined with comprehensive hedging strategies to reduce exposure.

### Going concern

In determining whether the company's accounts can be prepared on a going concern basis, the directors considered the company's business activities together with the factors likely to affect its future development, performance, its financial position including cash flow, liquidity position, borrowing facilities and the risks and uncertainties relating to its business activities. These include the impact of COVID-19 during the year and post balance sheet and also the recoverability of related party debts. The directors regularly review these factors to ensure that any risks are recognised and managed effectively.

### Financial and non-financial key performance indicators

The board reviews the company's KPIs at the monthly board meetings. These include operational and financial measurements.

The key operational KPIs for the business are customer retentions, % of customers on direct debit and bad debts written off.

Customer retentions is key to the business as losing customers results in a loss of revenue. From April 2020 to April 2021 77.56% (2020: 79.37%) of customers have been retained.

Having customers on direct debit improves the amount of debt that is collected from customers. This rose during the year to 84% at 30th April 2021 from 81% at 30th April 2020, this was fall occurred in March and April 2020 and was a direct result of the COVID-19 lockdowns. This metric has since recovered back to 86% and continues to strengthen each month.

The amount of customer debt that is written off is a significant KPI for the business as this illustrates the performance of the customer relationships team within the company. The bad debt write off has improved this year largely as a result of an increased focus of collecting customer debt, a fall from 7.5% of revenue in 2020 to 7.2% in 2021.

The company uses key financial performance indicators to monitor its business. These include:

|                           | 2021        | 2020         |
|---------------------------|-------------|--------------|
| Turnover:                 | £62,093,179 | £77,820,041  |
| Gross profit margin:      | 32.76%      | 22.84%       |
| Profit/(loss) before tax: | £2,484,473  | (£3,832,733) |

Last year the company was significantly impacted by the COVID-19 lockdowns and the directors are satisfied that the company has returned to profitability in the year ended 30 April 2021.

As at 30 April 2021, the company's cash position was substantial £9.4m (2020: £4.7m). There is currently no external bank debt in the company, a debenture was due to Axpo Solutions AG presented within other creditors.

# **BES COMMERCIAL ELECTRICITY LTD**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 30 APRIL 2021***

---

### **Future developments**

The company is continuing to provide commercial electricity and related services. The company expects to continue with its current activities in future periods. It is not expected that the company will be directly impacted by 'Brexit' due to the nature and market of its customer base.

On behalf of the board

M C Davidson

**Director**

31 January 2022

# **BES COMMERCIAL ELECTRICITY LTD**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 30 APRIL 2021***

---

The directors present their annual report and financial statements for the year ended 30 April 2021.

### **Principal activities**

The principal activity of the company continued to be a commercial electricity supplier. This activity is expected to continue in the future with plans to continually grow the business.

### **Results and dividends**

The results for the year are set out on page 12.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M C Davidson

A J Pilley

J R Pilley

(Appointed 24 August 2020)



# **BES COMMERCIAL ELECTRICITY LTD**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2021**

---

### **Directors' duties**

The Directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK companies Act 2006 which is summarised as follows;

'A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between shareholders of the Company.'

The following paragraphs summarise how the Directors' fulfil their duties;

### **Risk Management**

We provide business-critical services to our customers. As the industry changes and becomes more complex our risk environment changes. It is therefore vital that we effectively identify, evaluate, manage and mitigate the risks we face, and that we continue to evolve our approach to risk management.

### **Our People**

The Company is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, clients, investors, communities and society as a whole. People are at the heart of our the company and service provided to our customers. For our business to succeed we need to manage our people's performance and development and bring through talent whole ensuring we operate as efficiently as possible. We must also ensure we share common values that inform and guide our behaviour so we achieve our goals in the right way.

### **Business Relationships**

Our strategy prioritises organic growth, driven by cross-selling, retaining existing customers and acquiring new customers into the Group. To do this, we need to maintain and develop strong relationships with industry partners, customers, suppliers and intermediaries.

### **Community and Environment**

The Company's approach is to use our position of strength to create positive change for the people and communities within the local area and with which we interact. We want to leverage our expertise and enable colleagues to support the communities around us.

### **Shareholders**

The board is committed to openly engaging with our shareholders, as we recognise the importance of a continuing effective dialogue, whether with major institutional investors, private or employee shareholders. It is important to us that shareholders understand our strategy and objectives, so these must be explained clearly, feedback heard and any issues or questions raised properly considered.

### **Auditor**

The auditor, Cowgill Holloway LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

# BES COMMERCIAL ELECTRICITY LTD

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2021**

---

### Energy and carbon report

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statement, including this company. The company has therefore taken advantage of exemptions from the disclosure requirements relating to energy and carbon reporting.

### 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

M C Davidson

**Director**

31 January 2022

# BES COMMERCIAL ELECTRICITY LTD

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF BES COMMERCIAL ELECTRICITY LTD

---

#### Opinion

We have audited the financial statements of BES Commercial Electricity Ltd (the 'company') for the year ended 30 April 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

# **BES COMMERCIAL ELECTRICITY LTD**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF BES COMMERCIAL ELECTRICITY LTD**

---

#### **Matters on which we are required to report by exception**

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 material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **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.

## **BES COMMERCIAL ELECTRICITY LTD**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF BES COMMERCIAL ELECTRICITY LTD**

---

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 identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussions with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the company's license to operate. We identified the following areas as those most likely to have such an effect: laws related to energy supply activities and the regulated nature of the energy industry.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

We design procedures in line with our responsibilities, outlined below to detect material misstatement due to fraud:

- Matters are discussed amongst the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud
- Identifying and assessing the design and effectiveness of controls that management have in place to prevent and detect fraud
- Detecting and responding to the risks of fraud following discussions with management and enquiring as to whether management have knowledge of any actual, suspected or alleged fraud;

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **BES COMMERCIAL ELECTRICITY LTD**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF BES COMMERCIAL ELECTRICITY LTD**

---

##### **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.

**Paul Stansfield (Senior Statutory Auditor)**  
**For and on behalf of Cowgill Holloway LLP**

31 January 2022

**Chartered Accountants**  
**Statutory Auditor**

Regency House  
45-53 Chorley New Road  
Bolton  
BL1 4QR

# BES COMMERCIAL ELECTRICITY LTD

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2021

|   | Notes     | 2021<br>£    | 2020<br>£    |
|---|-----------|--------------|--------------|
| <b>Turnover</b>                             | <b>3</b>  | 62,093,179   | 77,820,041   |
| Cost of sales                               |           | (41,750,936) | (60,045,370) |
| <b>Gross profit</b>                         |           | 20,342,243   | 17,774,671   |
| Administrative expenses                     |           | (17,472,379) | (21,572,331) |
| Other operating income                      |           | 143,847      | 143,847      |
| Exceptional item                            | <b>4</b>  | (344,301)    | (782,848)    |
| Exceptional item                            | <b>4</b>  | (70,197)     | -            |
| <b>Operating profit/(loss)</b>              | <b>5</b>  | 2,599,213    | (4,436,661)  |
| Interest receivable and similar income      | <b>8</b>  | 7,723        | 607,426      |
| Interest payable and similar expenses       | <b>9</b>  | (122,463)    | (3,498)      |
| <b>Profit/(loss) before taxation</b>        |           | 2,484,473    | (3,832,733)  |
| Tax on profit/(loss)                        | <b>10</b> | (78,012)     | 723,575      |
| <b>Profit/(loss) for the financial year</b> |           | 2,406,461    | (3,109,158)  |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# BES COMMERCIAL ELECTRICITY LTD

## BALANCE SHEET

AS AT 30 APRIL 2021

|   | Notes | 2021<br>£           | £                 | 2020<br>£           | £                 |
|---|-------|---------------------|-------------------|---------------------|-------------------|
| <b>Fixed assets</b>                                   |       |                     |                   |                     |                   |
| Tangible assets                                       | 11    |                     | 106,195           |                     | 240,031           |
| <b>Current assets</b>                                 |       |                     |                   |                     |                   |
| Debtors   | 12    | 30,799,051          |                   | 34,864,285          |                   |
| Cash at bank and in hand                              |       | 9,398,612           |                   | 4,711,423           |                   |
|   |       | <u>40,197,663</u>   |                   | <u>39,575,708</u>   |                   |
| <b>Creditors: amounts falling due within one year</b> | 13    | <u>(26,719,758)</u> |                   | <u>(28,619,099)</u> |                   |
| <b>Net current assets</b>                             |       |                     | 13,477,905        |                     | 10,956,609        |
| <b>Total assets less current liabilities</b>          |       |                     | <u>13,584,100</u> |                     | <u>11,196,640</u> |
| <b>Provisions for liabilities</b>                     |       |                     |                   |                     |                   |
| Deferred tax liability                                | 14    | 5,752               |                   | 24,753              |                   |
|   |       | <u>(5,752)</u>      |                   | <u>(24,753)</u>     |                   |
| <b>Net assets</b>                                     |       |                     | <u>13,578,348</u> |                     | <u>11,171,887</u> |
| <b>Capital and reserves</b>                           |       |                     |                   |                     |                   |
| Called up share capital                               | 16    |                     | 100               |                     | 100               |
| Profit and loss reserves                              |       |                     | <u>13,578,248</u> |                     | <u>11,171,787</u> |
| <b>Total equity</b>                                   |       |                     | <u>13,578,348</u> |                     | <u>11,171,887</u> |

The financial statements were approved by the board of directors and authorised for issue on 31 January 2022 and are signed on its behalf by:

M C Davidson  
Director

Company Registration No. 06882734



## BES COMMERCIAL ELECTRICITY LTD

### STATEMENT OF CHANGES IN EQUITY

*FOR THE YEAR ENDED 30 APRIL 2021*

|  | Share capital | Profit and<br>loss reserves | Total       |
|--|---------------|-----------------------------|-------------|
|  | £             | £                           | £           |
| <b>Balance at 1 May 2019</b>                       | 100           | 14,280,945                  | 14,281,045  |
| <b>Year ended 30 April 2020:</b>                   |               |                             |             |
| Loss and total comprehensive income for the year   | -             | (3,109,158)                 | (3,109,158) |
| <b>Balance at 30 April 2020</b>                    | 100           | 11,171,787                  | 11,171,887  |
| <b>Year ended 30 April 2021:</b>                   |               |                             |             |
| Profit and total comprehensive income for the year | -             | 2,406,461                   | 2,406,461   |
| <b>Balance at 30 April 2021</b>                    | 100           | 13,578,248                  | 13,578,348  |

# BES COMMERCIAL ELECTRICITY LTD

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 APRIL 2021**

---

### **1 Accounting policies**

#### **Company information**

BES Commercial Electricity Ltd is a private company limited by shares incorporated in the United Kingdom. The registered office is Parkside Stand, Fleetwood Town Football Club, Park Avenue, Fleetwood, Lancashire, FY7 6TX.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of BES Utilities Holding Ltd. These consolidated financial statements are available from its registered office, Parkside Stand, Fleetwood Town Football Club, Park Avenue, Fleetwood, Lancashire, FY7 6TX.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

In determining whether the company's accounts can be prepared on a going concern basis, the directors considered the company's business activities together with the factors likely to affect its future development, performance, its financial position including cash flow, liquidity position, borrowing facilities and the risks and uncertainties relating to its business activities. These include the impact of COVID-19 during the year and post balance sheet and also the recoverability of related party debts. The directors regularly review these factors to ensure that any risks are recognised and managed effectively.

# BES COMMERCIAL ELECTRICITY LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 1 Accounting policies

(Continued)

#### 1.3 Turnover

Turnover represents the fair value of the consideration received or receivable from the sale of actual and estimated electricity as supplied during the period, net of VAT and discounts. For electricity supplied, the turnover is recognised on consumption.

Due to the inherent nature of the electricity supply industry and its reliance upon estimated meter readings, electricity turnover includes the directors' best estimate of differences between estimated sales and billed sales. The company makes estimates of customer electricity consumption based on available industry data, and also seasonal usage curves that have been estimated through historical actual usage data.

Also included in turnover is other income arising from late payment fees and other site works and disconnection costs which are charged to the Company's customers.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                        |                              |
|------------------------|------------------------------|
| Leasehold improvements | Over the length of the lease |
|------------------------|------------------------------|

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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 in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# BES COMMERCIAL ELECTRICITY LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 1 Accounting policies

(Continued)

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end 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 have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# BES COMMERCIAL ELECTRICITY LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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 end date.

# BES COMMERCIAL ELECTRICITY LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end 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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.10 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.12 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### **1.13 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# BES COMMERCIAL ELECTRICITY LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

---

### 2 Judgements and key sources of estimation uncertainty

(Continued)

#### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### **Turnover and cost of sales**

Turnover derived from the supply of gas includes an estimate of the value of electricity supplied to customers between the date of the last meter reading and the end of the reporting period. Estimation of the number of units consumed but not yet processed through the settlement process are based on industry data until final reconciliation data is received.

Similarly purchase volumes are also subject to the same degree of estimation, with associated settlement costs dependent on the receipt of final reconciliation data.

#### **Financial instruments**

Trade and other debtors/ creditors which have no stated interest rate, do not constitute a financing transaction, and are due to be settled within one year and as such are initially and subsequently measured at the undiscounted amount of consideration expected to be received, net of impairment.

The company has long term commercial contracts in place for the purchase of electricity. On the grounds that these contracts are held for the purpose of the delivery of a non-financial item in accordance with the company's expected purchase and sale requirements, the own use exemption has been applied. As a result, the agreements do not fall within the scope of Section 12 of FRS102 and are not accounted for as derivatives.

#### **Impairment of trade debtors**

Trade debtors are stated net of the allowance for the impairment of bad and doubtful debts. Debtor balances are provided against based on the date the invoice is raised. Receivables are categorised based on customer and account type, attributing varying risk profiles to each possibility. The percentages applied to each category of aged receivables is based on the average loss for that category, based on historic experience.

#### **ROC recycle**

Renewable Obligation Certificates (ROCs) are certificates used by suppliers to demonstrate that they have met their renewable obligations. The value of a ROC is determined by the buy out price, set by the market, and a recycle element of the final ROC value determined once all energy suppliers have demonstrated either compliance or non-compliance. The group estimates a recycle value based on industry data relating to the total output of renewable energy in the UK, generation capacity and demand, until a final value is determined.

# BES COMMERCIAL ELECTRICITY LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 3 Turnover and other revenue

|                                  | 2021    | 2020    |
|----------------------------------|---------|---------|
|                                  | £       | £       |
| <b>Other significant revenue</b> |         |         |
| Interest income                  | 7,723   | 607,426 |
| Grants received                  | 143,847 | 143,847 |

|   | 2021       | 2020       |
|---|------------|------------|
|   | £          | £          |
| <b>Turnover analysed by geographical market</b> |            |            |
| United Kingdom                                  | 62,093,179 | 77,820,041 |

### 4 Exceptional items

|                       | 2021    | 2020    |
|-----------------------|---------|---------|
|                       | £       | £       |
| <b>Expenditure</b>    |         |         |
| Non Trade legal costs | 344,301 | 782,848 |
| Redundancy costs      | 70,197  | -       |
|                       | 414,498 | 782,848 |

Non-trade legal fees have been incurred in relation to a one-off ongoing legal matter and the costs are defined as exceptional on the basis they have not been incurred as a result of regular trade.

Redundancy costs are considered exceptional as they arose as a direct result of Covid-19 and subsequent restructuring of teams.

### 5 Operating profit/(loss)

|   | 2021      | 2020      |
|---|-----------|-----------|
|   | £         | £         |
| Operating profit/(loss) for the year is stated after charging/(crediting):                |           |           |
| Government grants   | (143,847) | (143,847) |
| Fees payable to the company's auditor for the audit of the company's financial statements | 21,250    | 21,250    |
| Depreciation of owned tangible fixed assets   | 7,148     | -         |
| Operating lease charges   | 46,346    | 102,013   |

Government grants received in the year related to claims made for the Coronavirus Job Retention Scheme.



# BES COMMERCIAL ELECTRICITY LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 6 Employees

There were no employees during the year apart from the directors (2020: Nil).

Wage costs are recharged by Business Energy Solutions Ltd, a fellow subsidiary company of the group, these costs total £5,198,561 (2020: £6,259,016), this was calculated based on customer numbers.

The aggregate remuneration comprised:

|                       | 2021<br>£        | 2020<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 4,755,774        | 5,544,920        |
| Social security costs | 462,990          | 589,106          |
| Pension costs         | 85,536           | 124,990          |
|                       | <u>5,304,300</u> | <u>6,259,016</u> |

### 7 Directors' remuneration

The directors received £Nil (2020: £Nil) remuneration in the year directly from this company however they received remuneration from another group company as per the above.

|                                      | 2021<br>£      | 2020<br>£      |
|--------------------------------------|----------------|----------------|
| Remuneration for qualifying services | <u>330,273</u> | <u>330,273</u> |

Remuneration disclosed above include the following amounts paid to the highest paid director:

|                                      | 2021<br>£      | 2020<br>£      |
|--------------------------------------|----------------|----------------|
| Remuneration for qualifying services | <u>165,137</u> | <u>165,137</u> |

### 8 Interest receivable and similar income

|  | 2021<br>£    | 2020<br>£      |
|--|--------------|----------------|
| <b>Interest income</b>                   |              |                |
| Interest on bank deposits                | -            | 394            |
| Interest receivable from group companies | -            | 602,129        |
| Other interest income                    | <u>7,723</u> | <u>4,903</u>   |
| Total income                             | <u>7,723</u> | <u>607,426</u> |

# BES COMMERCIAL ELECTRICITY LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 9 Interest payable and similar expenses

|   | 2021           | 2020         |
|---|----------------|--------------|
|   | £              | £            |
| Interest on bank overdrafts and loans   | -              | 3,498        |
| Other interest on financial liabilities | 122,463        | -            |
|   | <u>122,463</u> | <u>3,498</u> |

### 10 Taxation

|  | 2021          | 2020             |
|--|---------------|------------------|
|  | £             | £                |
| <b>Current tax</b>                                   |               |                  |
| UK corporation tax on profits for the current period | (23,633)      | -                |
| Adjustments in respect of prior periods              | 120,646       | (748,328)        |
| Total current tax                                    | <u>97,013</u> | <u>(748,328)</u> |
| <b>Deferred tax</b>                                  |               |                  |
| Origination and reversal of timing differences       | (19,001)      | 24,753           |
| Total tax charge/(credit)                            | <u>78,012</u> | <u>(723,575)</u> |

The charge for the year can be reconciled to the profit or loss account as follows:

|   | 2021             | 2020               |
|---|------------------|--------------------|
|   | £                | £                  |
| Profit/(loss) before taxation   | <u>2,484,473</u> | <u>(3,832,733)</u> |
| Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%) | 472,050          | (728,219)          |
| Tax effect of expenses that are not deductible in determining taxable profit                                  | 8,524            | 4,666              |
| Tax effect of utilisation of tax losses not previously recognised   | (120,646)        | -                  |
| Adjustments in respect of prior years   | 120,646          | (22)               |
| Group relief  | (385,624)        | -                  |
| Depreciation on assets not qualifying for tax allowances  | 971              | -                  |
| Research and development tax credit   | (23,633)         | -                  |
| Other   | 5,724            | -                  |
| Taxation charge/(credit) for the year   | <u>78,012</u>    | <u>(723,575)</u>   |

# BES COMMERCIAL ELECTRICITY LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 11 Tangible fixed assets

|                                    | Leasehold<br>improvements<br>£ |
|------------------------------------|--------------------------------|
| <b>Cost</b>                        |                                |
| At 1 May 2020                      | 240,031                        |
| Additions                          | 326,687                        |
| Disposals                          | (453,375)                      |
| At 30 April 2021                   | 113,343                        |
| <b>Depreciation and impairment</b> |                                |
| At 1 May 2020                      | -                              |
| Depreciation charged in the year   | 7,148                          |
| At 30 April 2021                   | 7,148                          |
| <b>Carrying amount</b>             |                                |
| At 30 April 2021                   | 106,195                        |
| At 30 April 2020                   | 240,031                        |

### 12 Debtors

|   | 2021<br>£  | 2020<br>£  |
|---|------------|------------|
| <b>Amounts falling due within one year:</b> |            |            |
| Trade debtors                               | 4,706,257  | 7,705,081  |
| Corporation tax recoverable                 | 651,293    | 1,490,154  |
| Amounts owed by group undertakings          | 14,395,498 | 17,079,955 |
| Other debtors                               | 10,989,502 | 8,564,095  |
| Prepayments and accrued income              | 56,501     | 25,000     |
|   | 30,799,051 | 34,864,285 |

## BES COMMERCIAL ELECTRICITY LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

#### 13 Creditors: amounts falling due within one year

|                              | 2021<br>£         | 2020<br>£         |
|------------------------------|-------------------|-------------------|
| Other borrowings             | -                 | 3,255,335         |
| Trade creditors              | 6,411,905         | 6,873,513         |
| Taxation and social security | 2,681,683         | 1,880,387         |
| Other creditors              | 17,626,170        | 16,609,864        |
|                              | <u>26,719,758</u> | <u>28,619,099</u> |

During the year the company entered into a debenture in favour of Axpo Solutions AG which consists of a fixed and floating charge over the assets of the company.

This debenture covers the amounts due to Axpo Solutions AG of the company (included within trade creditors and other borrowings), and the amounts owed by group companies BES Utilities Holdings Ltd and Business Energy Solutions Ltd. At the balance sheet date the potential gross amount due to Axpo Solutions AG under this debenture was £7,252,224 (2020: £10,124,434).

#### 14 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

|                               | Liabilities<br>2021<br>£ | Liabilities<br>2020<br>£ |
|-------------------------------|--------------------------|--------------------------|
| <b>Balances:</b>              |                          |                          |
| ACAs                          | <u>5,752</u>             | <u>24,753</u>            |
|                               |                          | <b>2021<br/>£</b>        |
| <b>Movements in the year:</b> |                          |                          |
| Liability at 1 May 2020       |                          | 24,753                   |
| Credit to profit or loss      |                          | (19,001)                 |
| Liability at 30 April 2021    |                          | <u>5,752</u>             |

The deferred tax liability set out above is expected to reverse in the future and relates to accelerated capital allowances that are expected to mature within the same period.

# BES COMMERCIAL ELECTRICITY LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 15 Retirement benefit schemes

|   | 2021   | 2020    |
|---|--------|---------|
|   | £      | £       |
| Defined contribution schemes  |        |         |
| Charge to profit or loss in respect of defined contribution schemes | 85,536 | 124,990 |

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 16 Share capital

|   | 2021   | 2020   | 2021 | 2020 |
|---|--------|--------|------|------|
|   | Number | Number | £    | £    |
| Ordinary share capital<br>Issued and fully paid |        |        |      |      |
| Ordinary shares of £1 each                      | 100    | 100    | 100  | 100  |

### 17 Financial commitments, guarantees and contingent liabilities

The company had committed at the year end to purchase wholesale electricity totalling £18,203,908 (2020: £12,526,274) and to sell wholesale electricity totalling £93,803 (2020: £154,272).

The commitment to purchase wholesale gas extended to 1 October 2023 (2020: 30 September 2023).

### 18 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|                            | 2021    | 2020    |
|----------------------------|---------|---------|
|                            | £       | £       |
| Within one year            | 84,583  | -       |
| Between two and five years | 380,625 | 287,583 |
|                            | 465,208 | 287,583 |

## **BES COMMERCIAL ELECTRICITY LTD**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2021**

---

#### **19 Related party transactions**

The company has taken advantage of the exemption provided in Financial Reporting Standard 102 Section 33 from disclosing related party transactions with group companies.

During the year the company has recognised rent and other various managed services due to Fleetwood Wanderers Limited of £180,000 (2020: £191,997) within expenses, a company under common control. The company also received £6,834 (2020: £3,928) for the supply of electricity. At the year end £620,596 (2020: £590,723) was owed to the company and is included within other debtors. There are no official repayment terms, however it is expected to be repaid over a number of years and is non-interest bearing.

During the year the company has recognised energy commissions due to Commercial Power Limited of £7,094,773 (2020: £6,504,434) in expenses, a company under common control. The company also supplied services to Commercial Power Limited amounting to £167,160 (2020: £19,021). In the year the company advanced a loan of £Nil (2020: £2,500,000) to Commercial Power Limited and at the year end an amount of £1,816,213 (2020: £1,764,362) was owed by Commercial Power Limited, this amount is included within other debtors.

During the year the company purchased £127 (2020: £257) of services from Card Saver Ltd, a company under common control. The company also received £14,210 (2020: £Nil) for the supply of electricity. At the year end £14,210 (2020: £79) was outstanding from Card Saver Ltd and is included within other debtors.

Included within other debtors is £3,349,700 (2020: £3,349,700) in respect of a loan to Jaymel Limited, a company under common control. There are no official repayment terms, however it is expected to be repaid over a number of years and is non-interest bearing.

During the year the company recognised various services from The Leisure Channel Ltd, a company under common control of £Nil (2020: £5,495). The company has also recharged £Nil (2020: £312) for various services to The Leisure Channel Ltd. At the year end an amount of £375 (2020: £375) was owed from The Leisure Channel Ltd and is included within other debtors.

#### **20 Ultimate controlling party**

The ultimate parent company is BES Utilities Holding Ltd, a company registered in England and Wales.

BES Commercial Electricity Ltd is consolidated within BES Utilities Holding Ltd's group financial statements and copies can be obtained from the group's its registered office, Parkside Stand, Fleetwood Town Football Club, Park Avenue, Fleetwood, Lancashire, FY7 6TX.

The ultimate controlling party is deemed to be A J Pilley by virtue of his majority shareholding in the Group's holding company, BES Utilities Holding Ltd.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.