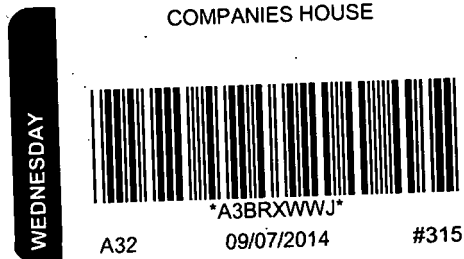


Company Registration Number 04849181

**Utilita Energy Limited**  
**Financial Statements**  
**For the year**  
**1 April 2013 to 31 March 2014**



**utilita**   
pre-pay the smart way

**Utilita Energy Limited**  
**Financial Statements**  
**Year ended 31 March 2014**

---

<b>Contents</b>	<b>Pages</b>
Officers and other information	<b>1</b>
Strategic report	<b>2 to 3</b>
Directors' report	<b>4 to 5</b>
Independent auditor's report to the shareholders	<b>6 to 7</b>
Profit and loss account	<b>8</b>
Balance sheet	<b>9</b>
Notes to the financial statements	<b>10 to 18</b>

---

# Utilita Energy Limited

## Officers and Other Information

---

**The board of directors**

W.N. Bullen  
M.D.E. Smith

**Company secretary**

M.D.E. Smith

**Registered office**

Secure House  
Moorside Road  
Winchester  
Hampshire  
SO23 7RX

**Auditor**

James Cowper LLP  
Chartered Accountants  
& Statutory Auditor  
Mill House  
Overbridge Square  
Hambridge Lane  
Newbury  
RG14 5UX

**Company registration number**

04849181

# Utilita Energy Limited

## Strategic Report

Year ended 31 March 2014

---

### Principal activity

The principal activity of the company during the year was supply of electricity and gas.

### Business review

The directors are pleased to report turnover of the company has increased by over 60% to £75.8m. This is a significant increase over the previous year (2012-13 £45.4m). A further significant increase is predicted for the year 2014-15.

The substantial growth in the energy retailing business has led to continued extra demands being placed on the resources of the group and while no additional funding has been required from the Secure Meters group in the form of short term working capital loans or long term loans, additional security cover has been made available.

The company has made a profit in the current year of £1.8m. This contrasts with a loss in 2013 of £1.4m.

The company has steadily followed its growth path with the net addition of 41k (2013 18k) customers, and 79k (2013 34k) energy supply points, during the year bringing the total customer base to 93k (2013 52k) and 177k (2013 98k) energy supply points. The 100k customers level was reached in May 2014.

The group has put in place a new meter funding package and the group has continued to install Secure Meters prepayment meters at its customers' homes bringing more efficiencies in the customer operation and collection processes.

### Principal risks and uncertainties

#### Market risk:

The GB retail energy market is dominated by the Big 6 suppliers. The company has based its marketing strategy on being a niche supplier to the prepayment segment of the market. This segment is poorly served by the Big 6 mainly due to a high cost to serve. The company aims to be the cheapest dual-fuel supplier to this target customer group.

#### Technical risk:

As the company operates in an industry using sophisticated technology, there is a risk of technical issues in the field, and from the regulator, which the company has to face. New demands from the regulator placed on the company continue to need to be incorporated into systems and procedures.

#### Currency risk:

The company is not exposed to foreign currencies. All transactions are incurred in the functional currency, Sterling. However, GB energy prices have a significant link to the world price of oil, which is denominated in US Dollars.

#### Industry risk:

The company is exposed to many industry related risks that are outside its control. The GB retail energy market is dominated by the Big 6 suppliers and many industry practices are weighted in their favour. It is very difficult for a small independent supplier to influence practices and procedures that work to the detriment of small and new entrant suppliers. In particular, in the gas market there is the risk of allocation of volumes of energy required to be purchased in excess of the volume sold. This volume risk is made up of two parts; the general inefficiency of the balancing market to take into account actual customers usage; and the use of a single usage profile across the whole of GB which is inappropriate to the prepayment market. In the electricity market there is the risk that customer payments are retained by a historic supplier and not paid onto the current energy supplier.

# Utilita Energy Limited

## Strategic Report *(continued)*

Year ended 31 March 2014

---

### Wholesale energy market risk:

The company operates in the GB energy retail market and purchases its energy in the GB wholesale market. The company fixes the prices to its customers for a contracted period and sources the energy from the wholesale market at the prevalent prices. Due to the volatility in the market, there remains a price risk in the energy retailing market. However, the group forward purchases energy, in accordance with a board level agreed hedging policy, to reduce the price risk.

### Liquidity risk:

As the company is in a continued growth phase and its market is being expanded, the company faces a liquidity risk. However, with the constant support from the wider Secure Meters Group, this risk is being efficiently managed. Industry regulations require us to have substantial levels of credit cover in place to cover future purchases and daily fluctuations in liabilities can result in significant cash calls having to be paid out or cash deposits having to be placed.

### Key performance indicators

#### Turnover:

Turnover as compared to last year has increased by over 60%.

#### Customer acquisition:

The number of energy supply points at 31 March 2014 as compared to last year has increased by over 80%.

Signed by order of the directors



M.D.E. Smith  
Company Secretary

Approved by the directors on 19 June 2014

# Utilita Energy Limited

## Directors' Report

### Year ended 31 March 2014

---

The directors present their report and the financial statements of the company for the year ended 31 March 2014.

#### **Results and dividends**

The profit for the year amounted to £1,795,563. The directors have not recommended a dividend.

#### **Directors**

The directors who served the company during the year were as follows:

W.N. Bullen  
K. Ghosh

M.D.E. Smith was appointed as a director on 1 June 2014.

K. Ghosh resigned as a director on 1 June 2014.

#### **Directors' responsibilities**

The directors are responsible for preparing the Strategic Report, Directors' 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 year.

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;
- 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.

#### **Strategic report**

Certain information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the strategic report.

# Utilita Energy Limited

## Directors' Report *(continued)*

### Year ended 31 March 2014

---

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:  
Secure House  
Moorside Road  
Winchester  
Hampshire  
SO23 7RX

Signed by order of the directors



M.D.E. Smith  
Company Secretary

Approved by the directors on 19 June 2014

# Utilita Energy Limited

## Independent Auditor's Report to the Shareholders of Utilita Energy Limited

Year ended 31 March 2014

---

We have audited the financial statements of Utilita Energy Limited for the year ended 31 March 2014 which comprise the Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 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.

### Emphasis of matter - Going concern

Without qualifying our opinion we draw attention to note 1 in the financial statements which indicates that the company is dependent on other group companies, one of which is loss making, to meet its cash flow requirements. This condition, along with other matters set out in note 1, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



# Utilita Energy Limited

## Independent Auditor's Report to the Shareholders of Utilita Energy Limited *(continued)*

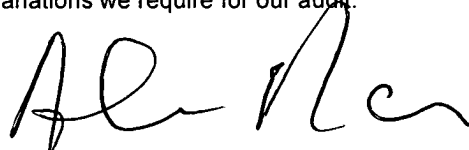
Year ended 31 March 2014

---

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

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



ADRIAN RANN BSC FCA  
(Senior Statutory Auditor)  
For and on behalf of  
JAMES COWPER LLP  
Chartered Accountants  
& Statutory Auditor

Mill House  
Overbridge Square  
Hambridge Lane  
Newbury  
RG14 5UX

26 June 2014

# Utilita Energy Limited

## Profit and Loss Account

Year ended 31 March 2014

---

	Note	2014 £	2013 £
Turnover	2	75,753,761	45,351,442
Cost of sales		<u>63,754,342</u>	<u>40,064,904</u>
Gross profit		11,999,419	5,286,538
Administrative expenses		<u>10,139,795</u>	<u>6,649,151</u>
Operating profit/(loss)	3	1,859,624	(1,362,613)
Interest receivable		19	1,172
Interest payable and similar charges	5	(64,080)	(61,314)
Profit/(loss) on ordinary activities before taxation		<u>1,795,563</u>	<u>(1,422,755)</u>
Tax on profit/(loss) on ordinary activities	6	-	-
Profit/(loss) on ordinary activities after taxation, being profit/(loss) for the financial year		<u>1,795,563</u>	<u>(1,422,755)</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 10 to 18 form part of these financial statements.

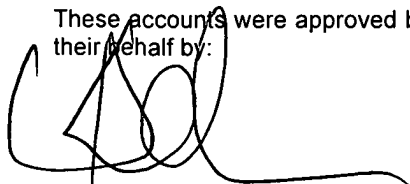
# Utilita Energy Limited

## Balance Sheet

31 March 2014

	Note	2014		2013	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	7		2,535,401		1,164,699
Tangible assets	8		475,517		355,685
Investments	9		2		2
			<u>3,010,920</u>		<u>1,520,386</u>
<b>Current assets</b>					
Debtors due within one year	10	6,843,860		3,281,359	
Cash at bank		514,611		-	
		<u>7,358,471</u>		<u>3,281,359</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>9,474,004</u>		<u>7,695,130</u>	
<b>Net current liabilities</b>			<u>(2,115,533)</u>		<u>(4,413,771)</u>
<b>Total assets less current liabilities</b>			<u>895,387</u>		<u>(2,893,385)</u>
<b>Creditors: amounts falling due after more than one year</b>	12		<u>247,527</u>		<u>254,318</u>
			<u>647,860</u>		<u>(3,147,703)</u>
<b>Capital and reserves</b>					
Called-up equity share capital	18		4,000,000		2,000,000
Profit and loss account	19		<u>(3,352,140)</u>		<u>(5,147,703)</u>
<b>Shareholders' funds/(deficit)</b>	20		<u>647,860</u>		<u>(3,147,703)</u>

These accounts were approved by the directors and authorised for issue on 19 June 2014, and are signed on their behalf by:



W.N. Bullen

Company Registration Number: 04849181

The notes on pages 10 to 18 form part of these financial statements.

# Utilita Energy Limited

## Notes to the Financial Statements

Year ended 31 March 2014

---

### 1. Accounting policies

#### Basis of accounting

The financial statements have been prepared under the historical cost convention.

#### Going concern

The company is supported by a loan facility from other group companies, at 31 March 2014 Utilita Energy Limited was owed £2,590,963 by Utilita Group Limited, the immediate parent company. On 31 March 2014 the ownership of the company was transferred, within the Utilita Group, from Utilita Services Limited to Utilita Group Limited. The directors of Utilita Group Limited have confirmed that it is their intention to make resources available, as necessary, for the company to continue trading for at least 12 months from the date of approval of these accounts.

The directors are not aware of any reason why the finance available from the parent company might be withdrawn. As a result they have adopted the going concern basis of accounting.

#### Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

#### Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

#### Turnover

Turnover represents sales of electricity and gas and the value of services and facilities provided during the year. Turnover includes an estimate of the value of supplies of electricity and gas to customers between the date of the last meter reading and the year end.

#### Intangible assets -

##### Acquisition costs

Externally incurred costs of customer acquisition are capitalised, classified as an asset on the Balance Sheet, and amortised over the estimated length of time that the customer remains with the company.

##### Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Acquisition costs - 5 years

##### Fixed assets

All fixed assets are initially recorded at cost.

Installation costs, when incurred on operating lease asset installations, are treated as tangible fixed assets, and are depreciated over the life of the lease.

##### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	life of the lease
Plant & Machinery	-	5 - 15 years
Equipment	-	2 - 3 years

# Utilita Energy Limited

## Notes to the Financial Statements

Year ended 31 March 2014

---

### 1. Accounting policies *(continued)*

#### Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding, and the capital element which reduces the outstanding obligation for future instalments.

#### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, however deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

### 2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2014 £	2013 £
United Kingdom	<u>75,753,761</u>	<u>45,351,442</u>

# Utilita Energy Limited

## Notes to the Financial Statements

Year ended 31 March 2014

---

### 3. Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2014 £	2013 £
Directors' remuneration	-	-
Amortisation of intangible assets	503,369	292,368
Depreciation of owned fixed assets	77,228	79,891
Depreciation of assets held under finance lease agreements	19,088	19,088
Loss on disposal of fixed assets	<u>113,833</u>	<u>103,900</u>

Included in administrative expenses is an amount of £841,000 (2013 £182,000) for a bad debt provision against monies collected by other energy suppliers from prepayment customers which has not been paid to the company.

### 4. Particulars of employees

The aggregate payroll costs of the above were:

	2014 £	2013 £
Wages and salaries	133,994	-
Social security costs	-	-
	<u>133,994</u>	<u>-</u>

During the last quarter of the year certain costs of temporary employees were met from Utilita Energy Limited. Previously all staff costs had been incurred by the company's then parent company, Utilita Services Limited, and recharged to Utilita Energy Limited via a management fee. From 1 April 2014 all staff costs will be directly incurred by Utilita Energy Limited.

### 5. Interest payable and similar charges

	2014 £	2013 £
Interest payable on bank borrowing	10,240	4,994
Finance charges	53,840	56,320
	<u>64,080</u>	<u>61,314</u>

---

# Utilita Energy Limited

## Notes to the Financial Statements

Year ended 31 March 2014

---

### 6. Taxation on ordinary activities

#### Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 23% (2013 - 20%).

	2014 £	2013 £
Profit/(loss) on ordinary activities before taxation	1,795,563	(1,422,755)
Profit/(loss) on ordinary activities by rate of tax	413,000	(284,600)
Expenses not deductible for tax purposes	3,700	(3,000)
Capital allowances for period in excess of depreciation	(29,000)	3,400
Utilisation of tax losses	(387,700)	284,200
Total current tax	-	-

### 7. Intangible fixed assets

	Acquisition costs £
<b>Cost</b>	
At 1 April 2013	1,951,955
Additions	1,978,297
Disposals	(155,664)
<b>At 31 March 2014</b>	<u>3,774,588</u>
<b>Amortisation</b>	
At 1 April 2013	787,256
Charge for the year	503,369
On disposals	(51,438)
<b>At 31 March 2014</b>	<u>1,239,187</u>
<b>Net book value</b>	
<b>At 31 March 2014</b>	<u>2,535,401</u>
At 31 March 2013	<u>1,164,699</u>

# Utilita Energy Limited

## Notes to the Financial Statements

Year ended 31 March 2014

### 8. Tangible fixed assets

	Leasehold Property £	Plant & Machinery £	Equipment £	Total £
<b>Cost</b>				
At 1 April 2013	–	881,977	19,972	901,949
Additions	11,982	–	213,775	225,757
Disposals	–	(26,665)	–	(26,665)
<b>At 31 March 2014</b>	<u>11,982</u>	<u>855,312</u>	<u>233,747</u>	<u>1,101,041</u>
<b>Depreciation</b>				
At 1 April 2013	–	544,701	1,563	546,264
Charge for the year	2,563	70,009	23,744	96,316
On disposals	–	(17,056)	–	(17,056)
<b>At 31 March 2014</b>	<u>2,563</u>	<u>597,654</u>	<u>25,307</u>	<u>625,524</u>
<b>Net book value</b>				
<b>At 31 March 2014</b>	<u>9,419</u>	<u>257,658</u>	<u>208,440</u>	<u>475,517</u>
At 31 March 2013	<u>–</u>	<u>337,276</u>	<u>18,409</u>	<u>355,685</u>

#### Finance lease agreements

Included within the net book value of £475,517 is £231,970 (2013 - £251,058) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £19,088 (2013 - £19,088).

### 9. Investments

	Total £
<b>Cost</b>	
At 1 April 2013 and 31 March 2014	<u>2</u>
<b>Net book value</b>	
<b>At 31 March 2014 and 31 March 2013</b>	<u>2</u>

Investments represent 100% of the issued share capital of Utilita Gas Limited and Utilita Telecom Limited. Both companies are incorporated in England and are dormant.

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts, therefore the accounts show information about the company as an individual entity.



# Utilita Energy Limited

## Notes to the Financial Statements

Year ended 31 March 2014

### 10. Debtors

	2014 £	2013 £
Trade debtors	2,585,923	2,837,972
Amounts owed by group undertakings	2,590,963	–
VAT recoverable	137,416	134,988
Other debtors	1,114,806	264,806
Prepayments and accrued income	414,752	43,593
	<u>6,843,860</u>	<u>3,281,359</u>

### 11. Creditors: amounts falling due within one year

	2014 £	2013 £
Overdrafts	–	21,584
Trade creditors	2,997,351	1,697,976
Amounts owed to group undertakings	2	3,291,096
Finance lease agreements	11,856	12,459
Accruals and deferred income	6,464,795	2,672,015
	<u>9,474,004</u>	<u>7,695,130</u>

### 12. Creditors: amounts falling due after more than one year

	2014 £	2013 £
Finance lease agreements	<u>247,527</u>	<u>254,318</u>

### 13. Commitments under finance lease agreements

Future commitments under finance lease agreements are as follows:

	2014 £	2013 £
Amounts payable within 1 year	62,494	66,299
Amounts payable between 1 and 2 years	62,494	66,299
Amounts payable between 3 and 5 years	187,483	198,896
Amounts payable after more than 5 years	180,069	222,280
	492,540	553,774
Less interest and finance charges relating to future periods	(233,157)	(286,997)
	<u>259,383</u>	<u>266,777</u>
Finance lease agreements are analysed as follows:		
Current obligations	11,856	12,459
Non-current obligations	<u>247,527</u>	<u>254,318</u>
	<u>259,383</u>	<u>266,777</u>

# Utilita Energy Limited

## Notes to the Financial Statements

Year ended 31 March 2014

### 14. Deferred taxation

The elements of deferred taxation, which result in a nil balance at the end of the year, together with details of other amounts not provided for, are as follows:

	2014		2013	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	35,900	-	17,700	-
Tax losses available	(35,900)	(1,061,900)	(17,700)	(1,274,000)
	<u>-</u>	<u>(1,061,900)</u>	<u>-</u>	<u>(1,274,000)</u>

Corporation tax losses of £4,600,000 (2013 £6,400,000) are available to set off against future profits.

### 15. Commitments under operating leases

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2014 £	2013 £
Operating leases which expire:		
Within 1 year	25,000	-
Within 2 to 5 years	-	40,000
	<u>25,000</u>	<u>40,000</u>

The company has a commitment to pay utility meter owners rentals for utility meters used by our customers. These arrangements are on a pence per day basis and are only payable while Utilita Energy Limited supplies energy to that customer. During the year Utilita Energy Limited paid a proportion of these rentals to Winchester Meter Operations Ltd, a fellow subsidiary.

### 16. Contingencies

Utilita Energy Limited has guaranteed the banking facilities of other Utilita group companies. At 31 March 2014 the balance outstanding under these guarantees was £nil (2013 £nil).

The company's hedging strategy aims to provide the company with protection against sudden and significant increases in energy prices while ensuring that the company is not competitively disadvantaged in a serious way in the event of a substantial fall in the price of energy. The strategy operates within limits set by the Board. The company's policy is not to trade in derivatives but to use these instruments to hedge anticipated expenses. The company is not required to, and does not, recognise these future amounts in its financial statements.

At 31 March 2014 the company has entered into a portfolio of forward contracts for the purchase of electricity. These contracts are capable of being bought and sold in an arm's length transaction. At 31 March 2014 the price to which the company is committed for such electricity contracts exceeded the market price by £1,660,000 (2013 the market price exceeded the price to which the company is committed by £186,000). All of these contracts are for a period of less than one year.

# Utilita Energy Limited

## Notes to the Financial Statements

Year ended 31 March 2014

### 17. Related party transactions

Throughout both years the company has been controlled by Utilita Group Limited, the intermediate parent company. The ultimate controlling party is Secure Meters Limited through their indirect shareholding in Utilita Group Limited.

Utilita Energy Limited purchased energy and other services of £34,677,603 (2013 £24,427,621) from other group companies during the year.

Utilita Energy Limited had the following balances with other group undertakings as a result of group trading.

	2014 £	2013 £
<b>Amounts owed by group undertakings:</b>		
Utilita Group Limited	2,590,963	—
<b>Amounts owed to group undertakings:</b>		
Utilita Services Limited	—	3,291,094
Utilita Gas Limited	1	1
Utilita Telecom Limited	1	1
	<u>2</u>	<u>3,291,096</u>

### 18. Share capital

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £1 each	4,000,000	4,000,000	2,000,000	2,000,000

On 31 March 2014 Utilita Group Limited subscribed for 2,000,000 ordinary shares of £1 each at par, to provide the company with additional working capital.

### 19. Profit and loss account

	2014 £	2013 £
Balance brought forward	(5,147,703)	(3,724,948)
Profit/(loss) for the financial year	1,795,563	(1,422,755)
Balance carried forward	<u>(3,352,140)</u>	<u>(5,147,703)</u>

### 20. Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit/(Loss) for the financial year	1,795,563	(1,422,755)
New ordinary share capital subscribed	2,000,000	—
Net addition/(reduction) to shareholders' deficit	3,795,563	(1,422,755)
Opening shareholders' deficit	(3,147,703)	(1,724,948)
Closing shareholders' funds/(deficit)	<u>647,860</u>	<u>(3,147,703)</u>

# Utilita Energy Limited

## Notes to the Financial Statements

Year ended 31 March 2014

---

### 21. Ultimate parent company

The ultimate parent company of Utilita Energy Limited at the balance sheet date was Secure Meters Limited, a company incorporated in India.

The parent of the smallest group for which group accounts including Utilita Energy Limited are drawn up is Utilita Group Limited. Copies of these accounts may be obtained from the registered office.

The parent of the largest group for which group accounts including Utilita Energy Limited are drawn up is Secure Meters Limited.