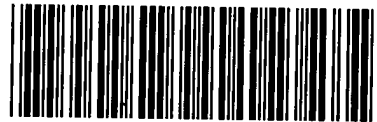


COMPANY REGISTRATION NUMBER 04849181

Utilita Energy Limited
Financial Statements
For the year
31 March 2015

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Utilita Energy Limited

Financial Statements

Year ended 31 March 2015

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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 Kreston
Chartered Accountants
& Statutory Auditor
Mill House
Overbridge Square
Hambridge Lane
Newbury
RG14 5UX

Utilita Energy Limited

Strategic Report

Year ended 31 March 2015

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 that the turnover of the company has increased by 90% to £144m (2014 60% increase to £75.8m). The number of supply points that energy is supplied to has also doubled. A further significant increase is predicted for the year 2015-16.

The substantial growth in the energy retailing business continues to lead to extra demands being placed on the resources of the group however no additional loans have been required from the Secure Meters group. Additional security cover facilities have been made available.

The company has made a profit before tax in the current year of £10.5m (2014 £1.8m).

The company has steadily followed its growth path with the net addition of 93k (2014 41k) customers, and 179k (2014 79k) energy supply points, during the year bringing the total customer base to 186k (2014 93k) and 356k (2014 177k) energy supply points. A customer base of 200k was achieved in May 2015.

The group has put in place another new meter funding package this year and the group has continued to install Secure Meters prepayment meters at its customers' homes continuing the efficiencies in the customer operation and cash collection processes.

Principal risks and uncertainties

Market risk:

The GB retail energy market remains dominated by the Big Six suppliers, although independent suppliers now make up approximately 9% of the total GB market. 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 Six mainly due to a high cost to serve. The company aims to be cheaper than the Big Six for dual-fuel supplies 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 Six 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, there remains in the gas market a 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. A usage profile for prepayment customers was introduced in the year but this does not mirror the usage pattern of prepayment customers. 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 2015

Wholesale energy market risk:

The company operates in the GB energy retail market and purchases its energy in the GB wholesale markets. The company fixes the prices to its customers until notifying a change 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, cash flows are strong and with the 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.

Political risk:

Energy remains an important political issue and this does expose the business to higher regulatory risk that would be the normal for other retail markets. However, given the outcome of the recent General Election this is not expected to be any worse than in previous years.

Key performance indicators

Turnover:

Turnover as compared to last year has increased by 90%.

Customer acquisition:

The number of energy supply points at 31 March 2015 as compared to last year has increased by over 90%.

Signed by order of the directors



M.D.E. Smith
Company Secretary

Approved by the directors on 12 June 2015

Utilita Energy Limited

Directors' Report

Year ended 31 March 2015

The directors present their report and the financial statements of the company for the year ended 31 March 2015.

Results and dividends

The profit for the year, after taxation, amounted to £9,349,017. The directors have not recommended a dividend.

Directors

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

W.N. Bullen	
M.D.E. Smith	(Appointed 1 June 2014)
K. Ghosh	(Resigned 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.

Donations

During the year the company made the following contributions:

	2015	2014
	£	£
Charitable	<u>22,580</u>	<u>-</u>

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 2015

Director's statement

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 12 June 2015

Utilita Energy Limited

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

Year ended 31 March 2015

We have audited the financial statements of Utilita Energy Limited for the year ended 31 March 2015 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 FRC's website at www.frc.org.uk/apb/scope/private.cfm.

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 2015 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.

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

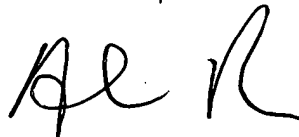
Independent Auditor's Report to the Shareholders of Utilita Energy Limited (continued)

Year ended 31 March 2015

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 KRESTON
Chartered Accountants
& Statutory Auditor

Mill House
Overbridge Square
Hambridge Lane
Newbury
RG14 5UX

18-6-2015

Utilita Energy Limited

Profit and Loss Account

Year ended 31 March 2015

	Note	2015 £	2014 £
Turnover	2	144,048,359	75,753,761
Cost of sales		115,320,230	63,754,342
Gross profit		<u>28,728,129</u>	<u>11,999,419</u>
Administrative expenses		17,982,487	10,139,795
Other operating income	3	(29,787)	-
Operating profit	4	<u>10,775,429</u>	<u>1,859,624</u>
Interest receivable		19	19
Interest payable and similar charges	6	(231,531)	(64,080)
Profit on ordinary activities before taxation		<u>10,543,917</u>	<u>1,795,563</u>
Tax on profit on ordinary activities	7	1,194,900	-
Profit on ordinary activities after taxation, being profit for the financial year		<u><u>9,349,017</u></u>	<u><u>1,795,563</u></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 19 form part of these financial statements.

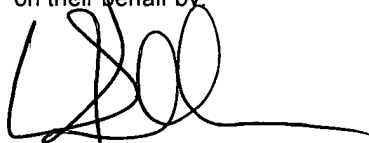
Utilita Energy Limited

Balance Sheet

31 March 2015

	Note	2015		2014	
		£	£	£	£
Fixed assets					
Intangible assets	8		6,472,231		2,535,401
Tangible assets	9		3,006,270		475,517
Investments	10		<u>2</u>		<u>2</u>
			9,478,503		3,010,920
Current assets					
Debtors due within one year	11	22,430,302		6,843,860	
Cash at bank		<u>3,567,279</u>		<u>514,611</u>	
		25,997,581		7,358,471	
Creditors: amounts falling due within one year	13	<u>24,386,594</u>		<u>9,474,004</u>	
Net current assets/(liabilities)			<u>1,610,987</u>		<u>(2,115,533)</u>
Total assets less current liabilities			11,089,490		895,387
Creditors: amounts falling due after more than one year	14		<u>1,092,613</u>		<u>247,527</u>
			<u>9,996,877</u>		<u>647,860</u>
Capital and reserves					
Called-up equity share capital	19		4,000,000		4,000,000
Profit and loss account	20		<u>5,996,877</u>		<u>(3,352,140)</u>
Shareholders' funds	21		<u>9,996,877</u>		<u>647,860</u>

These accounts were approved by the directors and authorised for issue on 12 June 2015, and are signed on their behalf by:



W.N. Bullen

Company Registration Number: 04849181

The notes on pages 10 to 19 form part of these financial statements.

Utilita Energy Limited

Notes to the Financial Statements

Year ended 31 March 2015

1. Accounting policies

Basis of accounting

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

Going concern

The company and the group are trading profitably, cash flows from Smart Prepay customers are very strong, and the directors are not aware of any reasons for this trend to reverse. 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 - 7 years
Equipment	-	2 - 3 years

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.

Utilita Energy Limited

Notes to the Financial Statements

Year ended 31 March 2015

1. Accounting policies (continued)

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.

Rentals for utility meters with a right to cancel the lease before the end of the economic life of the meter are treated as operating leases. Rentals are no longer payable when the company ceases to supply energy through that meter.

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.

Hedging

The company forward purchases energy only for known supply point based volumes. These are commodity forward purchase contracts where the energy purchased is expected to be fully used in our business in a specific period in the future. These contracts are accounted for at cost on the day energy is supplied.

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:

	2015 £	2014 £
United Kingdom	<u>144,048,359</u>	<u>75,753,761</u>

Utilita Energy Limited

Notes to the Financial Statements

Year ended 31 March 2015

3. Other operating income

	2015 £	2014 £
Management charges receivable	<u>29,787</u>	<u>–</u>

4. Operating profit

Operating profit is stated after charging:

	2015 £	2014 £
Directors' remuneration	–	–
Amortisation of intangible assets	1,105,574	503,369
Depreciation of owned fixed assets	778,965	77,228
Depreciation of assets held under finance lease agreements	56,484	19,088
Loss on disposal of fixed assets	<u>1,369,014</u>	<u>113,833</u>

Included in administrative expenses is an amount of £1,692,000 (2014 £841,000) for a bad debt provision against monies collected by other energy suppliers from prepayment customers which has not been paid to the company.

The company, in the ordinary course of business, pays rentals to utility meter owners while the company supplies energy through those meters. During the year operating lease rentals of £11,409,187 (2014 £5,699,063) were paid.

5. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2015 No	2014 No
Number of administrative staff	<u>168</u>	<u>–</u>

The aggregate payroll costs of the above were:

	2015 £	2014 £
Wages and salaries	3,325,439	133,994
Social security costs	205,115	–
	<u>3,530,554</u>	<u>133,994</u>

From 1 April 2014 all staff costs previously incurred by Utilita Services Limited and recharged, are directly incurred by Utilita Energy Limited.

Utilita Energy Limited

Notes to the Financial Statements

Year ended 31 March 2015

6. Interest payable and similar charges

	2015 £	2014 £
Interest payable on bank borrowing	20,793	10,240
Finance charges	70,001	53,840
Intercompany loan interest	140,737	-
	<u>231,531</u>	<u>64,080</u>

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2015		2014	
	£	£	£	£
Current tax:				
UK Corporation tax based on the results for the year		1,223,000		-
Total current tax		<u>1,223,000</u>		-
Deferred tax:				
Origination and reversal of timing differences (note 12)				
Capital allowances	(64,000)		18,200	
Losses	<u>35,900</u>		<u>(18,200)</u>	
Total deferred tax (note 12)		<u>(28,100)</u>		-
Tax on profit on ordinary activities		<u>1,194,900</u>		<u>-</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21% (2014 - 23%).

	2015 £	2014 £
Profit on ordinary activities before taxation	<u>10,543,917</u>	<u>1,795,563</u>
Profit on ordinary activities by rate of tax	2,214,200	413,000
Expenses not deductible for tax purposes	119,800	3,700
Capital allowances for period in (arrears)/advance of depreciation	73,100	(29,000)
Utilisation of tax losses	(1,020,500)	(387,700)
Group relief	(163,600)	-
Total current tax (note 7(a))	<u>1,223,000</u>	<u>-</u>

Utilita Energy Limited

Notes to the Financial Statements

Year ended 31 March 2015

8. Intangible fixed assets

	Acquisition costs £
Cost	
At 1 April 2014	3,774,588
Additions	5,582,280
Disposals	(727,531)
At 31 March 2015	<u>8,629,337</u>
Amortisation	
At 1 April 2014	1,239,187
Charge for the year	1,105,574
On disposals	(187,655)
At 31 March 2015	<u>2,157,106</u>
Net book value	
At 31 March 2015	<u>6,472,231</u>
At 31 March 2014	<u>2,535,401</u>

9. Tangible fixed assets

	Leasehold Property £	Plant & Machinery £	Equipment £	Total £
Cost				
At 1 April 2014	11,982	855,312	233,747	1,101,041
Additions	22,290	–	355,390	377,680
Disposals	–	(1,978,131)	–	(1,978,131)
Transfer from other group companies	39,086	5,128,601	325,091	5,492,778
At 31 March 2015	<u>73,358</u>	<u>4,005,782</u>	<u>914,228</u>	<u>4,993,368</u>
Depreciation				
At 1 April 2014	2,563	597,654	25,307	625,524
Charge for the year	14,889	604,831	215,729	835,449
On disposals	–	(1,148,994)	–	(1,148,994)
Transfer from other group companies	6,349	1,519,683	149,087	1,675,119
At 31 March 2015	<u>23,801</u>	<u>1,573,174</u>	<u>390,123</u>	<u>1,987,098</u>
Net book value				
At 31 March 2015	<u>49,557</u>	<u>2,432,608</u>	<u>524,105</u>	<u>3,006,270</u>
At 31 March 2014	<u>9,419</u>	<u>257,658</u>	<u>208,440</u>	<u>475,517</u>

Utilita Energy Limited

Notes to the Financial Statements

Year ended 31 March 2015

9. Tangible fixed assets (continued)

Finance lease agreements

Included within the net book value of £3,006,270 is £88,846 (2014 - £231,970) 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 £56,484 (2014 - £19,088).

10. Investments

	Total £
Cost	
At 1 April 2014 and 31 March 2015	<u>2</u>
Net book value	
At 31 March 2015 and 31 March 2014	<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.

11. Debtors

	2015 £	2014 £
Trade debtors	5,471,583	2,585,923
Amounts owed by group undertakings	12,943,597	2,590,963
VAT recoverable	9,598	137,416
Other debtors	3,219,371	1,114,806
Prepayments and accrued income	758,053	414,752
Deferred taxation (note 12)	28,100	-
	<u>22,430,302</u>	<u>6,843,860</u>

Utilita Energy Limited

Notes to the Financial Statements

Year ended 31 March 2015

12. Deferred taxation

The deferred tax included in the Balance sheet is as follows:

	2015 £	2014 £
Included in debtors (note 11)	<u>28,100</u>	<u>-</u>

The movement in the deferred taxation account during the year was:

	2015 £	2014 £
Profit and loss account movement arising during the year	<u>28,100</u>	<u>-</u>
Balance carried forward	<u>28,100</u>	<u>-</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2015		2014	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of depreciation over taxation allowances	28,100	-	(35,900)	-
Tax losses available	<u>-</u>	<u>-</u>	<u>35,900</u>	<u>1,061,900</u>
	<u>28,100</u>	<u>-</u>	<u>-</u>	<u>1,061,900</u>

Corporation tax losses of £nil (2014 £4,600,000) are available to set off against future profits.

13. Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	8,253,596	2,997,351
Amounts owed to group undertakings	3,304,153	2
Corporation tax	1,163,000	-
PAYE and social security	77,231	-
Finance lease agreements	12,690	11,856
Other creditors	103,314	-
Accruals and deferred income	<u>11,472,610</u>	<u>6,464,795</u>
	<u>24,386,594</u>	<u>9,474,004</u>

14. Creditors: amounts falling due after more than one year

	2015 £	2014 £
Amounts owed to group undertakings	966,667	-
Finance lease agreements	<u>125,946</u>	<u>247,527</u>
	<u>1,092,613</u>	<u>247,527</u>

Utilita Energy Limited

Notes to the Financial Statements

Year ended 31 March 2015

15. Commitments under finance lease agreements

Future commitments under finance lease agreements are as follows:

	2015 £	2014 £
Amounts payable within 1 year	35,040	62,494
Amounts payable between 1 and 2 years	35,040	62,494
Amounts payable between 3 and 5 years	105,121	187,483
Amounts payable after more than 5 years	37,960	180,069
	<u>213,161</u>	<u>492,540</u>
Less interest and finance charges relating to future periods	(74,525)	(233,157)
	<u>138,636</u>	<u>259,383</u>
Finance lease agreements are analysed as follows:		
Current obligations	12,690	11,856
Non-current obligations	125,946	247,527
	<u>138,636</u>	<u>259,383</u>

16. Commitments under operating leases

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as set out below.

	2015		2014	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire:				
Within 1 year	-	2,154	25,000	-
Within 2 to 5 years	74,300	8,841	-	-
After more than 5 years	-	33,276	-	-
	<u>74,300</u>	<u>44,271</u>	<u>25,000</u>	<u>-</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. The amount paid in respect of this commitment was £11,409,187 (2014 £5,699,063), a proportion of these rentals was paid to Winchester Meter Operations Ltd, a fellow subsidiary.

Utilita Energy Limited

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Year ended 31 March 2015

17. Contingencies

Utilita Energy Limited has guaranteed the banking facilities of other Utilita group companies. At 31 March 2015 the balance outstanding under these guarantees was £nil (2014 £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 2015 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 2015 the price to which the company is committed for such electricity contracts exceeded the market price by £4,021,000 (2014 £1,660,000). All of these contracts are for a period of up to two years.

Utilita Energy Limited, a licenced gas and electricity supplier, is working with Ofgem to confirm the status of its historic compliance with certain requirements of their gas and electricity licences. A contingent liability may exist.

18. 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 from other group companies of £48,225,926 (2014 £34,677,603), and paid interest to other group companies of £140,737 (2014 £-), during the year.

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

	2015 £	2014 £
Amounts owed by group undertakings:		
Utilita Group Limited	12,943,597	2,590,963
Amounts owed to group undertakings:		
Utilita Gas Limited	1	1
Utilita Telecom Limited	1	1
Winchester Meter Operations Ltd	1,854,151	-
Secure Meters (UK) Limited	2,416,667	-
	<u>4,270,820</u>	<u>2</u>

19. Share capital

Allotted, called up and fully paid:

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	4,000,000	4,000,000	4,000,000	4,000,000

Utilita Energy Limited

Notes to the Financial Statements

Year ended 31 March 2015

20. Profit and loss account

	2015 £	2014 £
Balance brought forward	(3,352,140)	(5,147,703)
Profit for the financial year	9,349,017	1,795,563
Balance carried forward	<u>5,996,877</u>	<u>(3,352,140)</u>

21. Reconciliation of movements in shareholders' funds

	2015 £	2014 £
Profit for the financial year	9,349,017	1,795,563
New ordinary share capital subscribed	—	2,000,000
Net addition to shareholders' funds/(deficit)	<u>9,349,017</u>	<u>3,795,563</u>
Opening shareholders' funds/(deficit)	647,860	(3,147,703)
Closing shareholders' funds	<u>9,996,877</u>	<u>647,860</u>

22. 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.