

Home Energy Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 30 September 2019

Home Energy Limited

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Home Energy Limited

Company Information

Directors	Kevin Stoker Charles Fairpo
Registered Number:	10225877
Registered office	Stoneygate House 2 Greenfield Road Holmfirth West Yorkshire HD9 2JT
Accountants	Ashton Allsop Chartered Accountants Thorncroft Manor Thorncroft Drive Leatherhead Surrey KT22 8JB

Home Energy Limited
(Registration number: 10225877)
Balance Sheet as at 30 September 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	<u>5</u>	3,056	2,623
Investments	<u>6</u>	100,100	100,000
		<u>103,156</u>	<u>102,623</u>
Current assets			
Debtors		315,838	62,905
Cash at bank and in hand		1,051	122,806
		316,889	185,711
Creditors: Amounts falling due within one year		<u>(233,320)</u>	<u>(70,485)</u>
Net current assets		<u>83,569</u>	<u>115,226</u>
Total assets less current liabilities		186,725	217,849
Creditors: Amounts falling due after more than one year		<u>(42,640)</u>	-
Net assets		<u>144,085</u>	<u>217,849</u>
Capital and reserves			
Called up share capital	<u>9</u>	17,325	100
Share premium reserve		325,275	-
Other reserves		-	245,500
Profit and loss account		<u>(198,515)</u>	<u>(27,751)</u>
Total equity		<u>144,085</u>	<u>217,849</u>

For the financial year ending 30 September 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Home Energy Limited

(Registration number: 10225877)

Balance Sheet as at 30 September 2019

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 10 February 2021 and signed on its behalf by:

.....

Kevin Stoker
Director

Home Energy Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Stoneygate House
2 Greenfield Road
Holmfirth
West Yorkshire
HD9 2JT
England

These financial statements were authorised for issue by the Board on 10 February 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Home Energy Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

Going concern

The financial statements have been prepared on a going concern basis.

At the year end the company had both current assets and net assets. However, it had retained losses of £198,515 and the net asset position includes both the investment in and amounts due from the company's wholly owned subsidiary, Home Energy Trading Limited ("HETL").

HETL itself had net liabilities of £313,701 at the year end. Should HETL not be able to repay the amounts owing to the company that could mean that the company might need to provide against both the amounts owed by HETL and consider the carrying value of the investment.

The company also had external borrowings at the end of the year. As noted in Note 11 to these financial statements, those loans have subsequently been repaid from funds lent to the company by a director and a shareholder who had agreed not to demand repayment until such time as the company has adequate funds available.

Since the year end the group has continued to be loss-making. Note 11 sets out actions taken to reduce the cost base and the group's exposure to electricity and gas price volatility.

Also since the year end, the company has been in discussions with third parties regarding potential investments into the group and / or the sale of interests in HETL. While these discussions have been impacted and protracted by COVID they are ongoing as at the date of signing the accounts. The directors consider that a positive outcome to those discussions would allow the group to continue as a going concern for the foreseeable future.

As at the date of signing the accounts, the directors are not aware of any material reason why there would not be a positive outcome to the ongoing discussions. Hence, they have drawn up these accounts on a going concern basis.

As part of their consideration of the going concern basis, the directors have reviewed the carrying value of the investment in and amounts due from HETL and have concluded that no impairment provision is required as of 30 September 2019.

However, should the aforementioned discussions not lead to a positive outcome and should other parties not be willing or able to complete an acceptable transaction, then the directors would have to consider whether adequate actions could be taken to secure the future of the group and would need to revisit the carrying values of items relating to HETL in the company's balance sheet.

Tax

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Home Energy Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Office Equipment	3 years straight line

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 4 (2018 - 3).

Home Energy Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

4 Taxation

Home Energy Limited has tax losses of £197,455 (2018: £27,534). These would give rise to a deferred tax asset of £37,516. However, the deferred tax asset has not been recognised in the accounts due to the current uncertainty that the losses will be utilised in the foreseeable future..

5 Tangible assets

	Office equipment £	Total £
Cost or valuation		
At 1 October 2018	2,777	2,777
Additions	1,854	1,854
At 30 September 2019	4,631	4,631
Depreciation		
At 1 October 2018	154	154
Charge for the year	1,421	1,421
At 30 September 2019	1,575	1,575
Carrying amount		
At 30 September 2019	3,056	3,056
At 30 September 2018	2,623	2,623

Home Energy Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

6 Investments

	2019 £	2018 £
Investments in subsidiaries	100,100	100,000
Subsidiaries		£
Cost or valuation		
At 1 October 2018		100,000
Additions		100
At 30 September 2019		100,100
Provision		
Carrying amount		
At 30 September 2019		100,100
At 30 September 2018		100,000

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
Home Energy Trading Limited	Stoneygate House 2 Greenfield road Holmfirth West Yorkshire HD9 2JT England	Ordinary Shares	100%	100%
Twenty Energy Limited	Stoneygate House 2 Greenfield road Holmfirth West Yorkshire HD9 2JT England and Wales	Ordinary shares	100%	0%

Home Energy Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

7 Debtors

	Note	2019 £	2018 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest	<u>10</u>	305,912	47,127
Other debtors		1,547	1,900
VAT Control account		8,379	13,878
		<u>315,838</u>	<u>62,905</u>

Home Energy Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

8 Creditors

Creditors: amounts falling due within one year

	Note	2019 £	2018 £
Due within one year			
Bank loans and overdrafts		23,880	-
Trade creditors		78,551	10,803
Other related parties		1,217	2,033
PAYE and NIC		372	1,879
Accruals and deferred income		79,045	5,570
Other creditors		50,255	50,200
		233,320	70,485

Creditors: amounts falling due after more than one year

	Note	2019 £	2018 £
Due after one year			
Loans and borrowings		42,640	-

9 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary Shares of £0.001 (2018 - £1) each	17,325,000	17,325.00	100	100
		17,325,000	100	100

In 2018 there were Other Reserves of £245,500 relating to amounts received from investors pending the issue of shares. These were issued during the 2019 accounting period.

Home Energy Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

10 Related party transactions

Summary of transactions with subsidiaries

The company has charged management fees of £205,005 to its wholly owned subsidiary Home Energy Trading Limited.

Loans to related parties

	Subsidiary	Total
	£	£
2019		
At start of period	47,126	47,126
Advanced	310,394	310,394
Repaid	(51,608)	(51,608)
	<hr/>	<hr/>
At end of period	305,912	305,912
	<hr/>	<hr/>
	Subsidiary	Total
	£	£
2018		
Advanced	47,126	47,126
	<hr/>	<hr/>

11 Non adjusting events after the financial period

Since the year end the company has undertaken a review of the group's operations. As a result of this, activity levels and costs have been materially reduced. The customer base has largely been transferred to another operator reducing the group's exposure to ongoing price volatility.

The company's subsidiary, Home Energy Trading Limited, retains its OFGEM licence and the directors remain in regular contact with the regulator and other parties.

Also since the year end, certain loans to third parties have been repaid with funds provided by a director and a shareholder who had previously acted as guarantor for the loans. The company now recognises them as the lender in relation to those loans. The new lenders have agreed not to demand repayment until such time as the company has adequate funds available.

Leatherhead

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.