Consolidated statement of comprehensive income

	Note	18 months to 31 December 2023 £'000	Restated[i] Year to 30 June 2022 £'000
Continuing operations			
Revenue from contracts with customers	5	**26,316**	10,462
Cost of sales	6	**(16,892)**	(6,880)
Gross profit		**9,424**	3,582
Operating expenses	7	**(13,064)**	(5,727)
Included within operating expenses are:			
– Exceptional items	7	**3,407**	1,492
Adjusted operating expenses		**(9,657)**	(4,235)
Adjusted earnings before interest, taxation, depreciation and amortisation		**(233)**	(653)
Earnings before interest, taxation, depreciation and amortisation		**(3,640)**	(2,145)
Depreciation, amortisation and impairment[ii]		**(683)**	(282)
Finance costs – net	10	**(1,947)**	(242)
Loss before tax		**(6,270)**	(2,669)
Tax	11	**333**	–
Loss for the period/year from continuing operations		**(5,937)**	(2,669)
Discontinued operations			
Profit after tax for the year from discontinued operations	4	**3,416**	1,178
Loss for the year		**(2,521)**	(1,491)
Attributable to:			
Members of the parent entity		**(2,521)**	(1,431)
Non-controlling interests[iii]		**–**	(60)
Loss for the year		**(2,521)**	(1,491)
Other comprehensive income – items that may be reclassified subsequently to profit and loss			
Translation of foreign operations		**(61)**	(125)
Total other comprehensive loss		**(61)**	(125)
Total comprehensive loss for the year		**(2,582)**	(1,616)
Total comprehensive loss for the year attributable to:			
Members of the parent entity – continuing		**(5,998)**	(2,734)
Members of the parent entity – discontinued		**3,416**	1,178
Non-controlling interests[iii]		**–**	(60)
		(2,582)	(1,616)
Basic and diluted loss per share from continuing operations	12	**(1.67p)**	(0.82p)

The accompanying notes on pages 50 to 81 form part of these financial statements.

i. Consistent with IFRS5, the prior period Income Statement and associated notes have been restated for the disposal of the Energy Management cash generating unit (eEnergy Management Limited, eEnergy Consultancy Limited and eEnergy Insights Limited) which completed on 9 February 2024. The Energy Management cash generating unit is disclosed as a discontinued operation and classified as held for sale on the group balance sheet. The prior period balance sheet disclosures are not restated.

ii. Depreciation and amortisation for the period includes £683k from Continuing and £1,300k from Discontinuing Operations. See notes 13 PP&E, 14 Intangibles & 20 Leases and associated foot notes for the allocation and disclosure of depreciation and amortisation charges.

iii. During the period, the Group acquired the remaining outstanding share capital of eEnergy Insights Limited for a combination of cash and shares of eEnergy Group PLC.

Consolidated statement of financial position

	Note	As at 31 December 2023 £'000	As at 30 June 2022 £'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	**292**	458
Intangible assets	14	**3,465**	28,733
Right of use assets	20	**502**	777
Trade and other receivables	17	**818**	–
Deferred tax asset	23	**1,138**	1,071
		6,215	31,039
CURRENT ASSETS			
Inventories	16	**177**	809
Trade and other receivables	17	**14,418**	16,022
Financial assets at fair value through profit or loss	25	**–**	21
Cash and cash equivalents	18	**597**	1,802
		15,192	18,654
Disposal group classified as held for sale	4	**34,997**	–
		50,189	18,654
TOTAL ASSETS		**56,404**	49,693
NON-CURRENT LIABILITIES			
Lease liability	20	**384**	349
Borrowings	21	**–**	5,011
Other non-current liabilities	22	**–**	2,252
Deferred tax liability	23	**944**	1,318
Provision	24	**–**	860
		1,328	9,790
CURRENT LIABILITIES			
Trade and other payables	19	**15,203**	16,802
Lease liability	20	**189**	542
Borrowings	21	**8,030**	11
		23,422	17,355
Disposal group classified as held for sale	4	**7,852**	–
		31,274	17,355
TOTAL LIABILITIES		**32,602**	27,145
NET ASSETS		**23,802**	22,548
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Issued share capital	26	**16,494**	16,373
Share premium	26	**49,319**	47,360
Other reserves	27	**2,017**	261
Reverse acquisition reserve	27	**(35,246)**	(35,246)
Foreign currency translation reserve		**(199)**	(138)
Accumulated losses		**(8,583)**	(5,985)
Equity attributable to equity holders of the parent		**23,802**	22,625
Non-controlling interest	28	**–**	(77)
TOTAL EQUITY		**23,802**	22,548

The accompanying notes on pages 50 to 81 form part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 29 April 2024 and were signed on their behalf:

Crispin Goldsmith
Director

Company statement of financial position

Company number: 05357433

	Note	As at 31 December 2023 £'000	As at 30 June 2022 £'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	**26**	28
Intangible assets	14	**75**	34
Right of use assets	20	**128**	279
Investment in subsidiary	15	**6,574**	6,574
		6,803	6,915
CURRENT ASSETS			
Intercompany receivables		**24,574**	24,380
Trade and other receivables	17	**617**	863
Cash and cash equivalents	18	**56**	91
		25,247	25,334
TOTAL ASSETS		**32,050**	32,249
CURRENT LIABILITIES			
Trade and other payables	19	**1,854**	2,114
Lease liability	20	**132**	265
Borrowings	21	**2,960**	–
		4,946	2,379
TOTAL LIABILITIES		**4,946**	2,379
NET ASSETS		**27,104**	29,870
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Issued share capital	26	**16,494**	16,373
Share premium	26	**49,319**	47,360
Other reserves	27	**1,983**	1,087
Accumulated losses		**(40,692)**	(34,950)
TOTAL EQUITY		**27,104**	29,870

A separate income statement for the parent company has not been presented, as permitted by section 408 of the Companies Act 2006. The Company's loss for the period was £5,742,000 (2022: loss of £2,882,000).

The accompanying notes on pages 50 to 81 form part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 29 April 2024 and were signed on their behalf:

Crispin Goldsmith
Director

Statements of cashflows

For the period ended 31 December 2023

	Note	Group: Period to 31 December 2023 £'000	Group: Year to 30 June 2022 £'000	Company: Period to 31 December 2023 £'000	Company: Year to 30 June 2022 £'000
Operating Profit (Profit Before Interest & Tax)		**(4,323)**	(2,427)	**(4,295)**	(2,882)
Depreciation & Amortisation		**683**	282	**487**	159
EBITDA Continuing Operations		**(3,640)**	(2,145)	**(3,808)**	(2,723)
EBITDA Discontinued Operations[ii]	4	**4,844**	2,877	**–**	–
EBITDA[i]	3	**1,204**	732	**(3,808)**	(2,723)
Adjustments for:					
Other non-cash working capital movements		**–**	677	**(2)**	(24)
Shares and warrants issue to settle expenses		**136**	–	**136**	–
Share based payments		**760**	520	**760**	520
Gain on derecognition of contingent consideration		**(448)**	(1,032)	**(448)**	(1,032)
Operating cashflow before working capital movements		**1,652**	897	**(3,362)**	(3,259)
(Increase)/decrease in trade and other receivables		**493**	(9,857)	**(874)**	(706)
(Decrease)/increase in trade and other payables		**2,052**	165	**589**	(15)
Decrease/(increase) in inventories		**228**	(95)	**–**	–
(Decrease) increase in net accrued/deferred income		**(6,808)**	2,650	**–**	–
Net cash (outflow) from operating activities		**(2,383)**	(6,240)	**(3,647)**	(3,980)
Cash flow from investing activities					
Amounts received from (paid to) group undertakings		**–**	–	**–**	(8,448)
Acquisition of subsidiaries		**–**	(11,081)	**–**	–
Cash acquired on acquisition of subsidiaries		**–**	4,007	**–**	–
Cash from exercise of options in acquired business		**(100)**	–	**(100)**	–
Expenditure on intangible assets		**(1,338)**	(401)	**(75)**	(16)
Purchase of property, plant and equipment		**(293)**	(294)	**(20)**	(34)
Net cash (outflow) from investing activities		**(1,731)**	(7,769)	**(195)**	(8,498)
Cash flows from financing activities					
Interest (paid)		**(602)**	(188)	**–**	–
Repayment of lease liabilities	20	**(738)**	(347)	**(476)**	–
Proceeds from the issue of share capital, net of issue costs[iii]		**1,759**	11,382	**1,758**	11,382
Proceeds from loans and borrowings		**2,525**	4,891	**2,525**	–
Repayment of borrowings		**–**	(3,287)	**–**	–
Net cash inflow from financing activities		**2,944**	12,451	**3,807**	11,382
Net (decrease)/increase in cash & cash equivalents		**(1,170)**	(1,558)	**(35)**	(1,096)
Effect of exchange rates on cash		**–**	28	**–**	–
Cash & cash equivalents at the start of the period		**1,802**	3,332	**91**	1,187
Cash & cash equivalents at the end of the period[iv]	18	**632**	1,802	**56**	91

i. The Cash Flow has been restated to enhance comparability, following classification of Energy Management as a discontinued operation. Prior period Loss After Tax, disclosed as Operating loss in the opening line of the cash flow was £(1,491)k. Adjusting for tax £(736)k, finance costs £323k, depreciation and amortisation £2,636k arrives at EBITDA of £732k.

ii. Cash Flow attributable to discontinued operations include £1,076k Operating cash inflow, £(1,397)k investing cash flows, £(149)k financing cash flows, net movement in cash & cash equivalents £(470)k. Cash at the beginning of the period was £505k and £35k at the end of the period. See Note 4.

iii. Issue of share capital excludes £324k associated with the settlement of deferred consideration for non-cash consideration. Excluded from issue of Share Capital and Share Premium (see Statement of Changes in Equity), is £16k Share Capital and £309k Share Premium for settlement of working capital (deferred consideration).

iv. Cash and Cash Equivalents includes £35k from discontinued operations (Note 4) and £597k of continuing.

v. The non cash consideration issued to acquire subsidiaries during the period was £0million (2022: £3.0 million) and is disclosed for each acquisition in Note 29.

Refer Note 32 for net debt reconciliation.

The accompanying notes on pages 50 to 81 form part of these financial statements.

Consolidated statement of changes in equity

For the period ended 31 December 2023

	Share capital[iii] £'000	Share premium £'000	Reverse acquisition reserve £'000	Other reserves £'000	Foreign currency reserve £'000	Accumulated losses £'000	Non-controlling interest £'000	Total equity £'000
Balance at 30 June 2021	16,071	33,014	(35,246)	601	(13)	(4,554)	—	9,873
Other comprehensive loss	—	—	—	—	(125)	—	—	(125)
Loss for the year	—	—	—	—	—	(1,431)	(60)	(1,491)
Total comprehensive profit for the year attributable to equity holders of the parent	—	—	—	—	(125)	(1,431)	(60)	(1,616)
Issue of shares for cash	240	11,760	—	—	—	—	—	12,000
Issue of shares for acquisition of subsidiary	55	2,903	—	—	—	—	—	2,958
Issue of shares in exchange for loan notes	7	301	—	—	—	—	—	308
Acquisition of non-controlling interest	—	—	—	—	—	—	(17)	(17)
Acquisition of put option relating to non-controlling interests	—	—	—	(3,921)	—	—	—	(3,921)
Utilisation on acquisition of non-controlling interests	—	—	—	3,061	—	—	—	3,061
Share based payment	—	—	—	520	—	—	—	520
Cost of share issue	—	(618)	—	—	—	—	—	(618)
Total transactions with owners	302	14,346	—	(340)	—	—	(17)	14,291
Balance at 30 June 2022	**16,373**	**47,360**	**(35,246)**	**261**	**(138)**	**(5,985)**	**(77)**	**22,548**
Other comprehensive loss	—	—	—	—	(61)	—	—	(61)
Loss for the period	—	—	—	—	—	(2,521)	—	(2,521)
Total comprehensive profit for the period attributable to equity holders of the parent	—	—	—	—	(61)	(2,521)	—	(2,582)
Issue of shares for cash	105	1,650	—	—	—	—	—	1,755
Issue of shares for acquisition of subsidiaries[i]	16	309	—	—	—	—	—	325
Acquisition of balance of non-controlling interest[ii]	—	—	—	860	—	(77)	77	860
Warrants	—	—	—	136	—	—	—	136
Share based payment	—	—	—	760	—	—	—	760
Total transactions with owners	121	1,959	—	1,756	—	(77)	77	3,836
Balance at 31 December 2023	**16,494**	**49,319**	**(35,246)**	**2,017**	**(199)**	**(8,583)**	**—**	**23,802**

i. Issue of share capital (non-cash) for settlement of contingent consideration, relating to the acquisition of UtilityTeam and acquisition of minority interests in eEnergy Insights.

ii. Relates to reversal of the put option provision, regarding the step acquisition of eEnergy Insights Limited, following acquisition of outstanding share capital.

iii. Share Capital is inclusive of £15,333 deferred share capital – refer to note 26.

The accompanying notes on pages 50 to 81 form part of these financial statements.

Company statement of changes in equity

For the period ended 31 December 2023

	Share capital[i] £'000	Share premium £'000	Other reserves £'000	Accumulated losses £'000	Total equity £'000
Balance at 30 June 2021	16,071	33,014	567	(32,068)	17,584
Loss for the year	–	–	–	(2,882)	(2,882)
Total comprehensive loss for the year attributable to equity holders of the parent	–	–	–	(2,882)	(2,882)
Issue of shares for cash	240	11,760	–	–	12,000
Issue of shares for acquisition of subsidiary	55	2,903	–	–	2,958
Issue of shares in exchange for loan notes	7	301	–	–	308
Share based payment	–	–	520	–	520
Cost of share issue	–	(618)	–	–	(618)
Total transaction with owners	302	14,346	520	–	15,168
Balance at 30 June 2022	16,373	47,360	1,087	(34,950)	29,870
Loss for the period	–	–	–	(5,742)	(5,742)
Total comprehensive loss for the period attributable to equity holders of the parent	–	–	–	(5,742)	(5,742)
Issue of shares for cash	105	1,650	–	–	1,755
Issue of shares for acquisition of subsidiary	16	309	–	–	325
Warrants	–	–	136	–	136
Share based payment	–	–	760	–	760
Total transaction with owners	121	1,959	896	–	2,976
Balance at 31 December 2023	**16,494**	**49,319**	**1,983**	**(40,692)**	**27,104**

i. Authorised and Issued share capital comprises 553,251,050,551 Deferred shares of £0.00001 – £15,332,511 and 387,224,625 ordinary shares of £0.003 – £1,161,674.

The accompanying notes on pages 50 to 81 form part of these financial statements.

Notes to the financial statements

For the period ended 31 December 2023

1 General information

eEnergy Group plc ("the Company") is a public limited company with its shares traded on the AIM Market of the London Stock Exchange. eEnergy Group plc is a holding company of a group of companies (the "Group").

eEnergy (AIM: EAAS) is revolutionising the path to net zero as a leading digital energy services provider for B2B and public sector organisations. We eliminate the barriers to clean energy generation and energy waste reduction, offering solutions that don't require upfront capital investment. Our vision is clear: make net zero possible and profitable for every organisation. eEnergy is market leader within the education sector and has been awarded the Green Economy Mark by London Stock Exchange.

The Company is incorporated and domiciled in England and Wales with its registered office at 20 St Thomas Street, London, England, SE1 9RS. The Company's registered number is 05357433.

2 Accounting policies

IAS 8 requires that management shall use its judgement in developing and applying accounting policies that result in information which is relevant to the economic decision-making needs of users, that are reliable, free from bias, prudent, complete and represent faithfully the financial position, financial performance and cash flows of the entity.

2.1 Basis of preparation

The financial statements have been prepared in accordance with UK adopted international financial reporting standards ("UK IFRS") and with the requirements of the Companies Act 2006.

The financial statements have been prepared under the historical cost convention as modified by financial assets at fair value through profit or loss and other comprehensive income, and the recognition of net assets acquired under the reverse acquisition at fair value.

The preparation of financial statements in conformity with UK IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements, are disclosed in note 2.22.

The financial statements present the results for the Group and Company for the 18 month period ended 31 December 2023. The comparative period is for the year ended 30 June 2022.

The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently in the financial statements. The consolidated financial statements are prepared in Pounds Sterling, which is the Group's functional and presentation currency, and presented to the nearest £'000.

During the period, the Group extended its period of account from June to December. The Group's business activities and revenues are weighted towards the middle of the calendar year and therefore the Board believes that a 31 December year end will be in the best interest of the Group.

The Directors have amended the period end of all subsidiaries to align with that of the group company, except for eLight Ireland Limited, eLight EAAS Projects Limited, eEnergy Management, eEnergy Consultancy and eEnergy Insights Limited. Under local legislation, eLight Ireland Limited and eLight EAAS Projects Limited are ineligible for financial year end amendment, and the Directors will revisit when eligible. eEnergy Management Limited, eEnergy Consultancy Limited and eEnergy Insights Limited, collectively the Energy Management Division were disposed of in February 2024. These companies year ends were not revised due to commercial negotiations associated with the anticipated disposal.

The Energy Management division, in accordance with IFRS 5, is disclosed separately as a discontinued operation and classified as held for sale on the balance sheet. The prior year income statement is restated to show continuing operations, whilst the comparative balance sheet and cash flow remains unaltered.

2.2 New standards, amendments and interpretations

The Group and Company have adopted all of the new and amended standards and interpretations issued by the International Accounting Standards Board that are relevant to its operations and effective for accounting periods commencing on or after 1 July 2022.

No standards or Interpretations that came into effect for the first time for the financial period beginning 1 July 2022 have had an impact on the Group or Company.

2.3 New standards and interpretations not yet adopted

At the date of approval of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases have not yet been adopted by the UK):

Standard	Impact on initial application	Effective date
Annual Improvements	2018-2020 Cycle	1 January 2023
IFRS 17	Insurance Contracts	1 January 2023
IAS 1 (amendments)	Classification of liabilities as Current or Non-current	1 January 2023
IAS 8 (amendments)	Accounting estimates	1 January 2023
IAS 12 (amendments)	Deferred tax arising from a single transaction	1 January 2023
IAS 1 (amendments)	Presentation of Financial Statements: Disclosure of Accounting Policies	1 January 2023
IFRS 16 (amendments)	Lease Liability in a Sale and Leaseback	1 January 2024
IAS 1 (amendments)	Non-Current Liabilities with Covenants	1 January 2024

The effect of these new and amended Standards and Interpretations which are in issue but not yet mandatorily effective is not expected to be material.

2 Accounting policies continued

2.4 Going concern

The financial information has been prepared on a going concern basis, which assumes that the Group and Company will continue in operational existence for the foreseeable future. In assessing whether the going concern assumption is appropriate, the Directors have taken into account all relevant information about the current and future position of the Group and Company, including the current level of resources and the trading outlook over the going concern period, being at least 12 months from the date of approval of the financial statements. The Group meets its working capital requirements from its cash and cash equivalents and its project financing arrangements, which in some instances are secured by debentures over special purpose financing subsidiaries and their assets, which are principally long-term customer contracts.

Following the period end, the sale of the Energy Management division was completed allowing the Group to repay its corporate debt facilities in full and substantially strengthen its balance sheet, which now benefits from significant cash headroom.

The Directors note that there is continued macroeconomic and geo-political uncertainty. Energy prices have moderated, however there remains a clear financial benefit from the energy efficiency solutions provided by the Group as well as a continued focus from our customers on reducing their carbon footprint. The Directors therefore believe the business is well placed to continue to deliver strong growth despite this backdrop. However the Directors note the environment does create heightened risk and uncertainties, including from inflationary pressures.

The Group has prepared budgets and cash flow forecasts covering the going concern period which have been stress tested for the negative impact of possible scenarios.

Taking these matters into consideration, the Directors consider that the continued adoption of the going concern basis is appropriate. The financial statements do not reflect any adjustments that would be required if they were to be prepared other than on a going concern basis.

2.5 Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Acquisition-related costs are expensed as incurred. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated.

2.6 Foreign currency translation

(i) Functional and presentation currency

Items included in the individual financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Pounds Sterling, which is the Company's presentation and functional currency. The individual financial statements of each of the Company's wholly owned subsidiaries are prepared in the currency of the primary economic environment in which it operates (its functional currency). IAS 21 The Effects of Changes in Foreign Exchange Rates requires that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period).

(ii) Transactions and balances

Transactions denominated in a foreign currency are translated into the functional currency at the exchange rate at the date of the transaction. Assets and liabilities in foreign currencies are translated to the functional currency at rates of exchange ruling at the balance sheet date. Gains or losses arising from settlement of transactions and from translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement for the period.

(iii) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- income and expenses for each income statement are translated at the average exchange rate; and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Notes to the financial statements continued

For the period ended 31 December 2023

2 Accounting policies continued

2.7 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision maker, who are responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The Directors have identified three segments; Energy Management, Energy Services and Group. The identified segments have independent revenue streams, established senior managers and are consistent with how the group consolidates and manages the business.

2.8 Impairment of non-financial assets

Non-financial assets and intangible assets not subject to amortisation are tested annually for impairment at each reporting date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment review is based on discounted future cash flows. If the expected discounted future cash flow from the use of the assets and their eventual disposal is less than the carrying amount of the assets, an impairment loss is recognised in profit or loss and not subsequently reversed.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows (cash generating units or 'CGUs').

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and demand deposits with banks and other financial institutions and bank overdrafts.

2.10 Financial instruments

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost; and
- those to be measured subsequently at fair value through profit or loss.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payment of principal and interest.

b) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

The Group classifies energy credits as FVPL assets. Information about the method used in determining fair value is provided in note 25.

d) Debt instruments

Debt instruments are recorded at amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses.

e) Impairment

The Group assesses, on a forward looking basis, the expected credit losses associated with any debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Impairment losses are presented as a separate line item in the statement of profit or loss.

2 Accounting policies continued

2.11 Revenue recognition

Under IFRS 15, Revenue from Contracts with Customers, five key points to recognise revenue have been assessed:

Step 1: Identity the contract(s) with a customer;

Step 2: Identity the performance obligations in the contract;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations in the contract; and

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and specific criteria have been met for each of the Group's activities, as described below.

Where estimates are made, these are based on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Where the Group makes sales relating to a future financial period, these are deferred and recognised under 'accrued expenses and deferred income' on the Statement of Financial Position.

The Group derives revenue from the transfer of goods and services over time and at a point in time in the major product and service lines detailed below.

Energy Services division (part of continuing operations)

Revenues from external customers come from the provision of energy efficiency solutions, solar PV generation and EV charging capability which will typically include the provision of technology at the outset of the contract and then an additional ongoing service and maintenance over the term of the contract.

The Group undertakes to install technology which either delivers energy savings, generates energy or provides a service proposition to customers. The Group designs the solution to deliver the desired outcomes, sources and then installs that technology. Revenue is recognised during the project period following contract signature.

There is typically a service and maintenance undertaking included within the agreement and this may require the repair or replacement of faulty products. Where this performance obligation is not a material element of the client agreement, as is usually the case, revenue is not separately recognised and an accrual for the expected future costs is recognised as part of the cost of sale pro rata to the aggregate revenue that is recognised. Where this performance obligation is material the revenue is recognised rateably over the term of the contract as the performance obligation is satisfied.

Customers either contract to make payments linked to the installation of the project or to pay over several years (typically seven to ten years) to match their usage of the technology. In the latter case, the Group may assign the majority or all of its rights and obligations under a client agreement to a finance partner. Neither that assignment, nor the timing of the customer payments, changes the recognition of revenue under the contract.

a) Energy credits

Historically, the Group has, on occasion, received consideration for both LaaS and supply & install contracts in Ireland in the form of energy credits. Energy credits are financial assets that are valued at fair value through profit or loss and their initial estimated value is included as part of the transaction price recognised as revenue. Energy credits are validated by the SEAI (the Irish regulator) and once validated are transferred to an undertaking that needs those energy credits, typically a power generation company. Any changes in the fair value of the energy credits between initial recognition and their realisation for cash are recorded as other gains or losses. As at the period end the value of energy credits on the Group's balance sheet was nil.

Energy Management division (part of discontinued operations)

Revenue is comprised of fees received from customers or commissions received from energy suppliers, net of value-added tax, for the review, analysis and negotiation of gas and electricity contracts on behalf of clients in the UK.

To the extent that invoices are raised in a different pattern from the revenue recognition policy described below, entries are made to record deferred or accrued revenue to account for the revenue when the performance obligations have been satisfied.

All of the Group's energy management clients receive procurement services and many also receive risk management, consulting and advisory services (together "Management Services"). These services will often be combined into a single contract but the Group separately identifies the relevant procurement obligations and recognises revenue when the relevant performance obligations have been satisfied. Revenue is recognised for each of these as follows:

a) Procurement services

Procurement revenue arises when the Group provides services that lead to the client entering into a contract with an energy supplier. The Group typically receives a commission from the energy supplier based upon the amount of energy consumed by the client over the life of the contract. As the services provided by the company are completed up to the point that the contract is signed between the client and the energy supplier the performance obligation is considered to be satisfied at that point and the revenue is recognised then. Contract signature may be considerably in advance of the date at which the supply contract will commence. The total amount of revenue recognised is based upon applying the historical energy consumption of the client to estimate the expected energy consumption over the term of the contract with the energy supplier. This revenue is then limited by an allowance for actual consumption to be lower than originally estimated and an allowance for the contract term not being completed. The balance of revenue not recognised at the point the energy supply contract is signed is recognised over the life of the contract in line with the client's actual consumption.

Notes to the financial statements continued

For the period ended 31 December 2023

2 Accounting policies continued

2.11 Revenue recognition continued

Energy Management division (part of discontinued operations) continued

b) Energy management services

As well as Procurement services the Group provides clients with a range of risk management, consulting and advisory services which include Bill Validation, Cost recovery, compliance services, ongoing market intelligence, ongoing account management and the development of hedging strategies. These services are typically provided evenly over the term of the contract and are therefore recognised rateably over the contract life.

Client segmentation

The Group's energy management clients are segmented into four categories based upon the balance of services they contract to receive from the Group. These categories are:

SME: Small & Medium enterprise clients who typically only take procurement services.

Mid-market: Clients who typically take fixed procurement contracts with a limited range of management services.

Strategic: Clients who take a wider range of management services, including Bill Validation and/or Budget Management reporting.

Flex: Retained for contracts allocated to this segment in previous periods, where a client procured using a flex model with regular re-trading of the procurement contract and more advanced risk management services.

The overall proportion of revenue attributed by management to Procurement Services and recognised at the point the energy supply contract is signed ranges from 70% of the total expected contract value for SME to 17% for Strategic and the average recognised across the portfolio for the period was 24% (2022: 23%).

Cost of sales

Cost of sales represents internal or external commissions paid in respect of sales made. The Cost of sale is matched to the revenue recognised so for Procurement Services is recognised at the time the contract is signed and for Management Services rateably over the contract term. To the extent the pattern of payment for these commissions is different from the costs being recognised accruals or prepayments are recorded in the balance sheet.

Other

a) Management services

The Group provides management services to customers and certain other parties under fixed fee arrangements. Efforts to satisfy the performance obligation are expended evenly throughout the performance period and so the performance obligation is considered to be satisfied evenly over time and accordingly the revenue is recognised evenly over time.

2.12 Share based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments granted at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of a group company (market conditions) and non-vesting conditions. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other vesting conditions are satisfied. At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified, or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the profit and loss account for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value expensed in the profit and loss account.

2.13 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

When the Group acquires any plant and equipment it is stated in the financial statements at its cost of acquisition.

Depreciation is charged to write off the cost less estimated residual value of Property, plant and equipment on a straight line basis over their estimated useful lives which are:

- Plant and equipment 4 years
- Computer equipment 4 years

Estimated useful lives and residual values are reviewed each year and amended as required.

2 Accounting policies continued

2.14 Intangible assets

Intangible assets acquired as part of a business combination or asset acquisition, other than goodwill, are initially measured at their fair value at the date of acquisition. Intangible assets acquired separately are initially recognised at cost.

Amortisation is charged to write off the cost less estimated residual value of intangible assets on a straight line basis over their estimated useful lives which are:

- Brand and trade names 10 years
- Customer relationships 11 years
- Software 3-10 years

Estimated useful lives and residual values are reviewed each year and amended as required.

Indefinite life intangible assets comprising goodwill are not amortised and are subsequently measured at cost less any impairment. The gains and losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset.

Other intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour and other direct costs. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.16 Leases

The Group leases properties and motor vehicles. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group.

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

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period. Right-of-use assets are measured at cost which comprises the following:

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

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases (term less than 12 months) and all leases of low-value assets (generally less than £5k) are recognised on a straight-line basis as an expense in profit or loss.

Under the terms of the contracted leases, no break clauses exist.

Notes to the financial statements continued

For the period ended 31 December 2023

2 Accounting policies continued

2.17 Equity

Share capital is determined using the nominal value of shares that have been issued.

The Share Premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

The Reverse Acquisition reserve includes the accumulated losses incurred prior to the reverse acquisition, the share capital of eLight Group Holdings Limited at acquisition, the reverse acquisition share based payment expense as well as the costs incurred in completing the reverse acquisition.

Put options in relation to acquisitions where it is determined that the non-controlling interest has present access to the returns associated with the underlying ownership interest the Group has elected to use the present-access method. This results in the fair value of the option being recognised as a liability, with a corresponding entry in other equity reserves.

Accumulated losses includes all current and prior period results as disclosed in the income statement other than those transferred to the Reverse Acquisition reserve.

2.18 Taxation

Taxation comprises current and deferred tax.

Current tax is based on taxable profit or loss for the period. Taxable profit or loss differs from profit or loss as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The asset or liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 realised. Deferred tax is charged or credited to profit or loss, 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 there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.19 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are capitalised as a prepayment for liquidity services and amortised over the period of the loan to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.20 Exceptional items and non-GAAP performance measures

Exceptional items are those items which, in the opinion of the Directors, should be excluded in order to provide a consistent and comparable view of the underlying performance of the Group's ongoing business. Generally, exceptional items include those items that do not occur often and are material.

Exceptional items include i) the costs incurred in delivering the "Buy & Build" strategy associated with acquisitions and strategic investments; (ii) incremental costs of restructuring and transforming the Group to integrate acquired businesses (iii) costs incurred with regards the disposal of the Energy Management business during the period and (iv) share based payments.

We believe the non-GAAP performance measures presented, along with comparable GAAP measurements, are useful to provide information with which to measure the Group's performance, and its ability to invest in new opportunities. Management uses these measures with the most directly comparable GAAP financial measures in evaluating operating performance and value creation. The primary measure is Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") and Adjusted EBITDA, which is the measure of profitability before Exceptional items. These measures are also consistent with how underlying business performance is measured internally. We also report our Profit or Loss before Exceptional items which is our net income, after tax and before exceptional items as this is a measure of our underlying financial performance.

The Group separately reports exceptional items within their relevant income statement line as it believes this helps provide a better indication of the underlying performance of the Group. Judgement is required in determining whether an item should be classified as an exceptional item or included within underlying results. Reversals of previous exceptional items are assessed based on the same criteria.

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP.

2 Accounting policies continued

2.21 Assets and Liabilities classified as held for sale and discontinued operations

Assets and liabilities are classified as held for sale if their carrying amount will be recovered or settled principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Assets are measured at the lower of their carrying value and fair value less costs to sell. An impairment loss is recognised for any subsequent write-down of the asset to fair value less costs to sell.

A discontinued operation is a component of the Group that has disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations. The results of discontinued operations are presented separately in the statement of profit or loss, including comparatives.

2.22 Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the entity's accounting policies, management makes estimates and assumptions that have an effect on the amounts recognised in the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The following are the critical judgements the Directors have made in the process of applying the Group's accounting policies:

Impairment assessment

In accordance with its accounting policies, each CGU is evaluated annually to determine whether there are any indications of impairment and a formal estimate of the recoverable amount is performed. The recoverable amount is based on value in use which require the Group to make estimates regarding key assumptions regarding forecast revenues, costs and pre-tax discount rate. Further details are disclosed within note 14. Uncertainty about these assumptions could result in outcomes that require a material adjustment to the carrying amount of goodwill in future periods.

Energy credits

Energy credits are valued based on management's assessment of market price fair value underlying the energy credit. Such assessment is derived from valuation techniques that include inputs for the energy credit asset that are not based on observable market data. Further details are disclosed within note 25. Uncertainty about the market price fair value used in valuing the energy credit assets could result in outcomes that require a material adjustment to the value of these energy credits assets in future periods.

Intangible assets

On acquisition, specific intangible assets are identified and recognised separately from goodwill and then amortised over their estimated useful lives. An external expert is engaged to assist with the identification of material intangible assets and their estimated useful lives. These include items such as brand names and customer lists, to which value is first attributed at the time of acquisition. The capitalisation of these assets and the related amortisation charges are based on judgements about the value and economic life of such items.

The economic lives for customer relationships, trade names and computer software are estimated at between five and eleven years. The value of intangible assets, excluding goodwill, at 31 December 2023 is £426k (2022: £4,917k).

Contingent consideration

An element of consideration relating to certain business acquisitions made was contingent on the future EBITDA targets being achieved by the acquired businesses. On acquisition, estimates were made of the expected future EBITDA based on forecasts prepared by management. These estimates were reassessed at each reporting date and adjustments are made where necessary. Amounts of deferred and contingent consideration payable after one year are discounted. The carrying value of contingent consideration at 30 June 2023 is NIL (2022: £868k).

Any gain or loss on revaluation of contingent consideration does not adjust the carrying value of goodwill and is treated as an exceptional item in the income statement.

Procurement Services revenue

When assessing the recognition of Procurement Services revenue within the Energy Management division, the Group estimates the degree to which expected energy consumption is constrained by reductions in energy consumption over the term of the contract, when compared to the historical energy consumption of the client and by the risk of supply contracts being terminated by clients before the end of the contract term. These constraints reduce the extent to which Procurement Service revenue is recognised on signing whether the client contract is purely for Procurement Services or a combination of Procurement and Energy Management Services.

Notes to the financial statements continued

For the period ended 31 December 2023

3 Segmental reporting

The following information is given about the Group's reportable segments:

The Chief Operating Decision Maker is the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance of the Group and has determined that in the period ended 31 December 2023 the Group had three operating segments, being Energy Services, Energy Management and Group Central costs.

Subsequent to year end, the Group sold its Energy Management business segment, hence the results and net asset position for Energy Management has been presented in Note 4.

Energy Services and Group Central in aggregate form the Continuing Operations of the Group.

2023	Energy Management[i] £'000	Energy Services £'000	Group Central £'000	2023 £'000
Revenue – UK	19,318	24,258	–	43,576
Revenue – Ireland	–	2,058	–	2,058
Revenue – Total	19,318	26,316	–	45,634
Cost of sales	(4,324)	(16,892)	–	(21,216)
Gross profit	14,994	9,424	–	24,418
Operating expenses	(9,684)	(7,156)	(2,501)	(19,340)
Adjusted EBITDA[ii]	5,310	2,268	(2,501)	5,078
Depreciation and amortisation	(1,315)	(196)	(487)	(1,998)
Finance and similar charges	(44)	(119)	(1,828)	(1,991)
Profit (loss) before exceptional items and tax	3,951	1,953	(4,816)	1,088
Exceptional items[ii]	(466)	(442)	(2,965)	(3,873)
Loss before tax	3,485	1,511	(7,781)	(2,785)
Income tax	(69)	333	–	264
Profit (loss) after exceptional items and tax	3,416	1,844	(7,781)	(2,521)
Net assets				
Assets	34,997	15,980	4,483	55,460
Liabilities	(7,852)	(11,867)	(11,939)	(31,658)
Net assets (liabilities)	27,145	4,113	(7,456)	23,802

i. Discontinued operations – refer note 4.

ii. EBITDA (Adjusted EBITDA and exceptional items) £1,204k (£(3,640) Continuing & £4,844k Discontinued).

3 Segment reporting continued

2022	Energy Management[i] £'000	Energy Services £'000	Group Central £'000	2022 £'000
Revenue – UK	11,634	8,518	–	20,152
Revenue – Ireland	–	1,944	–	1,944
Revenue – Total	11,634	10,462	–	22,096
Cost of sales	(2,251)	(6,880)	–	(9,131)
Gross profit	9,383	3,582	–	12,965
Operating expenses	(5,709)	(2,607)	(1,628)	(9,944)
Adjusted EBITDA[ii]	3,674	975	(1,628)	3,021
Depreciation and amortisation	(789)	(124)	(159)	(1,072)
Finance and similar charges	(82)	(244)	3	(323)
Profit (loss) before exceptional items and tax	2,803	607	(1,784)	1,626
Impairment of brands	(1,564)	–	–	(1,564)
Exceptional items[ii]	(797)	(346)	(1,146)	(2,289)
Loss before tax	442	261	(2,930)	(2,227)
Income tax	736	–	–	736
Profit (loss) after exceptional items and tax	1,178	261	(2,930)	(1,491)
Net assets				
Assets	33,930	12,930	2,833	49,693
Liabilities	(10,483)	(8,702)	(7,960)	(27,145)
Net assets (liabilities)	23,447	4,228	(5,127)	22,548

i. Discontinued operations – refer note 4.

ii. EBITDA (Adjusted EBITDA and exceptional items) £732k (£(2,145) Continuing & £2,877k Discontinued).

Notes to the financial statements continued

For the period ended 31 December 2023

4 Disposal group held for sale and discontinued operations

Subsequent to the period end, the Group announced the disposal of its wholly owned Energy Management division to Flogas Britain Limited for an initial consideration of £29.1 million and additional contingent consideration which is expected to be in the range of £8-£10m, subject to the trading performance of the Energy Management division for the period to 30 September 2025.

The energy management division within the Group comprise the following subsidiaries:

- eEnergy Consultancy Limited;
- eEnergy Insights Limited; and
- eEnergy Management Limited.

In accordance with IFRS 5, the Energy Management division has been classified as a disposal group held for sale and as a discontinued operation, with results below:

Statement of Financial Performance:

	2023 £'000	2022 £'000
Sales revenue[i]	**19,318**	11,634
Cost of sales	**(4,324)**	(2,251)
Gross profit	**14,994**	9,383
Operating expenses	**(10,150)**	(6,506)
Exceptional items – added back	**466**	797
Adjusted earnings before interest, taxation, depreciation and amortisation	**5,310**	3,674
Earnings before interest, taxation, depreciation and amortisation	**4,844**	2,877
Depreciation, amortisation and impairment	**(1,315)**	(2,353)
Finance costs – net	**(44)**	(82)
Profit before tax	**3,485**	442
Tax	**(69)**	736
Profit after tax	**3,416**	1,178

i. Revenue comprises: £4,412k (2022: £3,976k) Point in time£5,767k (2022: nil) commission recognised on contract signature and £9,139k (2022: £7,658k) Commissions recognised over time.

Statement of Cash Flows:

	2023 £'000	2022 £'000
Adjusted Earnings before interest, taxation, depreciation and amortisation	**5,310**	3,674
Exceptional Items	**(466)**	(797)
Earnings before interest, taxation, depreciation and amortisation	**4,844**	2,877
Movements in working capital	**(3,768)**	(1,786)
Net Cash Flows From Operating Activities	**1,076**	1,091
Net Cash Flows from Investing Activities	**(1,397)**	1,854
Net Cash Flows from Financing Activities	**(149)**	(2,222)
Net Decrease in Cash & Cash Equivalents	**(470)**	723
Cash & Cash Equivalents at the start of the period	**505**	(218)
Cash & Cash Equivalents at the end of the period	**35**	505

4 Disposal group held for sale and discontinued operations continued

Assets and liabilities of the Energy Management division classified as held for sale:

	2023 £'000	2022 £'000
Non-current assets classified as held for sale		
Property, plant and equipment	**170**	125
Intangible assets	**25,064**	25,801
Right of use assets	**37**	99
Deferred tax asset	**(194)**	178
	25,077	26,203
Current assets classified as held for sale		
Inventories	**239**	406
Trade and other receivables	**9,603**	6,772
Other current assets	**44**	44
Cash and cash equivalents	**34**	505
	9,920	7,727
TOTAL ASSETS	**34,997**	33,930
Non-current liabilities classified as held for sale		
Deferred tax liability	**–**	525
	–	525
Current liabilities classified as held for sale		
Trade and other payables	**7,809**	9,833
Lease liability	**41**	125
Borrowings	**2**	–
	7,852	9,958
TOTAL LIABILITIES	**7,852**	10,483
NET ASSETS OF THE DISPOSAL GROUP	**27,145**	23,447

5 Revenue from contracts with customers

	18 months to 31 December 2023 £'000	12 months to 30 June 2022 £'000
Sales revenue	**26,337**	10,544
Energy credits	**(21)**	(82)
	26,316	10,462

In the current year there were nil customers (2022: nil) accounting for greater than 10% of the Group's revenue totalling £45.6 million (2022: £22.1 million).

	18 months to 31 December 2023 £'000	12 months to 30 June 2022 £'000
Point in time – installation at customer premises	**26,316**	10,462
	26,316	10,462

Notes to the financial statements continued

For the period ended 31 December 2023

6 Cost of sales

	18 months to 31 December 2023 £'000	12 months to 30 June 2022 £'000
Cost of sales – labour	**2,692**	1,706
Cost of sales – commissions	**1,242**	426
Cost of sales – technology	**12,077**	4,370
Cost of sales – other	**881**	378
	16,892	6,880

7 Operating expenses

The breakdown of operating expenses by nature is as follows:

	18 months to 31 December 2023 £'000	12 months to 30 June 2022 £'000
Wages and salaries	**7,248**	3,281
Rent, utilities and office costs	**75**	329
Professional fees	**713**	250
Travel and motor vehicle expenses	**484**	250
Adjustment of assets recorded at fair value through profit or loss	**–**	(41)
Exceptional items – refer below	**3,407**	1,492
Other expenditure	**1,137**	167
	13,064	5,728

The Directors consider the following expenses (credits) within operating expenses to be exceptional:

	Note	18 months to 31 December 2023 £'000	12 months to 30 June 2022 £'000
Changes to the initial recognition of contingent consideration	29	**(448)**	(1,032)
Integration & restructuring costs		**574**	912
Acquisition & disposal related costs		**2,521**	1,092
Share based payment expense	33	**760**	520
		3,407	1,492

8 Auditors remuneration

	18 months to 31 December 2023 £'000	12 months to 30 June 2022 £'000
Fees payable to the Company's auditor for the audit of parent company and consolidated financial statements	**100**	130
	100	130

9 Staff costs and directors' remuneration

Directors' remuneration for the Group and the Company is set out in the report of the Remuneration Committee on page 35.

The aggregate staff costs for the year were as follows:

	Group		Company	
	18 months to 31 December 2023 £'000	12 months to 30 June 2022 £'000	**18 months to 31 December 2023 £'000**	12 months to 30 June 2022 £'000
Directors' remuneration	**1,310**	752	**1,310**	932
Other staff wages and salaries	**4,999**	2,105	**1,557**	–
Social security costs	**939**	424	**278**	169
Share based payment expense	**760**	520	**760**	–
	8,008	3,801	**3,905**	1,101

On average, excluding non-executive directors, the Group and Company employed 20 technical staff members (2022: 23) 34 sales staff members (2022: 43) and 68 administration and management staff members (2022: 62). Please see Directors report, for disclosure of highest paid Director and emolument breakdown.

10 Finance costs – Net

	18 months to 31 December 2023 £'000	12 months to 30 June 2022 £'000
Interest expense – borrowings	**1,007**	195
Finance charge on leased assets	**114**	47
Foreign exchange	**83**	–
Warrants issued	**136**	–
Other finance costs	**607**	–
Finance costs – net	**1,947**	242

11 Taxation

	18 months to 31 December 2023 £'000 Continuing	**18 months to 31 December 2023 £'000 Discontinued**	12 months to 30 June 2022 £'000
The charge/(credit) for year is made up as follows:			
Current tax charge/(credit)			
Current year	**–**	**17**	159
Deferred tax credit (note 24)			
Origination and reversal of temporary differences	**79**	**(79)**	(895)
Deferred tax adjustment in respect of prior year	**254**	**(7)**	
Total tax credit for the year	**333**	**(69)**	(736)
Reconciliation of effective tax rate			
Profit (loss) before income tax	**(6,270)**	**3,485**	(2,227)
Income tax applying the UK corporation tax rate of 22% (2022: 19%)	**1,379**	**(767)**	(423)
Effect of tax rate in foreign jurisdiction	**(48)**		85
Non-deductible expenses	**(647)**	**(67)**	11
Impact of tax rate change	**–**	**(11)**	(102)
Movement in unrecognised deferred tax asset	**12**	**149**	(322)
Group relief surrendered	**(617)**	**617**	–
Prior year adjustment	**254**	**10**	–
Other tax differences	**–**	**–**	15
Income credit (charge) for the year	**333**	**(69)**	(736)

The movements in Deferred Tax are described in Note 23.

Notes to the financial statements continued

For the period ended 31 December 2023

11 Taxation continued

Factors affecting the future tax charge

The standard rates of corporation tax in Ireland is 12.5% and from 1 April 2023, the main rate of corporation tax in the UK increased from 19% to 25% and a new 19% small profits rate of corporation tax was introduced for companies whose profits to not exceed £50,000.

This main rate applies to companies with profits in excess of £250,000. For UK resident companies with augmented profits below £50,000 a lower rate of 19% is generally applicable. For companies with augmented profits between £50,000 and £250,000, there is a sliding scale of tax rates. For corporate companies, both profit limits are divided by the number of active companies worldwide.

12 Earnings Per Share

The calculation of the basic and diluted earnings per share are calculated by dividing the profit or loss for the year by the weighted average number of ordinary shares in issue during the year.

Earnings per share	**18 months to 31 December 2023 £'000**	12 months to 30 June 2022 £'000
(Loss) for the year – £'000	**(2,521)**	(1,431)
Weighted number of ordinary shares in issue	**353,952,474**	323,783,394
Basic earnings per share – pence	**(0.71)**	(0.44)
Weighted number of dilutive instruments in issue	**–**	–
Weighted number of ordinary shares and dilutive instruments in issue	**353,952,474**	323,783,394
Diluted earnings per share – pence	**(0.71)**	(0.44)

Earnings per share continuing	**18 months to 31 December 2023 £'000**	12 months to 30 June 2022 £'000
(Loss) for the year from continuing operations – £'000	**(5,937)**	(2,669)
Weighted number of ordinary shares in issue	**353,952,474**	323,783,394
Basic earnings per share from continuing operations – pence	**(1.67)**	(0.82)
Weighted number of dilutive instruments in issue	**–**	–
Weighted number of ordinary shares and dilutive instruments in issue	**353,952,474**	323,783,394
Diluted earnings per share from continuing operations – pence	**(1.67)**	(0.82)

Earnings per share discontinuing	**18 months to 31 December 2023 £'000**	12 months to 30 June 2022 £'000
Profit for the year from discontinuing operations – £'000	**3,485**	1,178
Weighted number of ordinary shares in issue	**353,952,474**	323,783,394
Basic earnings per share from discontinuing operations – pence	**0.98**	0.36
Weighted number of dilutive instruments in issue	**–**	–
Weighted number of ordinary shares and dilutive instruments in issue	**353,952,474**	323,783,394
Diluted earnings per share from discontinuing operations – pence	**0.98**	0.36

Share options and warrants could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share as they are anti-dilutive. See note 33 for further details.

13 Property, plant and equipment

Group	Property, plant & equipment £'000	Computer equipment £'000	Total £'000
Cost			
Opening balance 1 July 2021	260	29	289
Additions on acquisition	306	–	306
Additions in the year	240	47	287
At 30 June 2022	806	76	882
Additions in the period	293	–	293
Transferred to assets held for sale	(475)	(37)	(512)
At 31 December 2023	**624**	**39**	**663**
Depreciation			
Opening balance 1 July 2021	(191)	(18)	(209)
Additions on acquisition	(108)	–	(108)
Charge for the year	(95)	(12)	(107)
At 30 June 2022	(394)	(30)	(424)
Charge for the period[1]	(365)	(21)	(386)
Transferred to assets held for sale	411	28	439
At 31 December 2023	**(348)**	**(23)**	**(371)**
Net book value 30 June 2022	412	46	458
Net book value 31 December 2023	**276**	**16**	**292**

1. Depreciation charge for the period includes £217,000 PPE & £14,000 Computer Equipment relating to discontinued operations.

Company	Property, plant & equipment £'000	Total £'000
Cost		
Opening balance 1 July 2021	72	72
Additions in the year	34	34
At 30 June 2022	**106**	**106**
Additions in the period	20	20
At 31 December 2023	**126**	**126**
Depreciation		
Opening balance 1 July 2021	(72)	(72)
Charge for the year	(6)	(6)
At 30 June 2022	**(78)**	**(78)**
Charge for the period	(22)	(22)
At 31 December 2023	**(100)**	**(100)**
Net book value 30 June 2022	28	28
Net book value 31 December 2023	**26**	**26**

Notes to the financial statements continued

For the period ended 31 December 2023

14 Intangible assets

The intangible assets primarily relate to the Goodwill and separately identifiable intangible assets arising on the Group's acquisitions. See note 29 for further details of the movement in the current period. The Group tests the intangible asset for indications of impairment at each reporting period, in line with accounting policies.

	Goodwill £'000	Software £'000	Customer relationships £'000	Brand £'000	Total £'000
Cost					
Opening balance 1 July 2021	8,613	642	824	555	10,634
Additions on acquisition	15,203	215	3,487	1,039	19,944
Additions in the year	–	401	–	–	401
At 30 June 2022	23,816	1,258	4,311	1,594	30,979
IFRS3 amendment	(332)	–	–	–	(332)
Additions in the period	–	1,338	–	–	1,338
Transfer to assets held for sale	(20,474)	(2,100)	(4,311)	(1,594)	(28,479)
At 31 December 2023	**3,010**	**496**	**–**	**–**	**3,506**
Amortisation					
Opening balance 1 July 2021	–	(60)	(41)	(30)	(131)
Additions on acquisition	–	–	–	–	–
Impairment	–	–	–	(1,564)	(1,564)
Charge for the year	–	(159)	(392)	–	(551)
At 30 June 2022	–	(219)	(433)	(1,594)	(2,246)
Impairment	–	–	–	–	–
Charge for the period[i]	–	(359)	(724)	–	(1,083)
Transfer to assets held for sale	–	537	1,157	1,594	3,288
At 31 December 2023	**–**	**(41)**	**–**	**–**	**(41)**
Net book value 30 June 2022	23,816	1,039	3,878	–	28,733
Net book value 31 December 2023	**3,010**	**455**	**–**	**–**	**3,465**

i. Depreciation charge for the period includes £253k Software & £724k Customer Relationships relating to discontinued operations

The Group completed a strategic review of its brands and trading names and on 1 July 2022 aligned all of the trading businesses under the master "eEnergy" brand. Accordingly, the carrying value of the Beond and the Utility Team brand names were fully impaired as at 30 June 2022.

The recoverable amount of each cash generating unit was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management which are built "bottom up" for the next three years. The annual discount rate applied to the cash flows is 13% (2022: 13%) which is the same rate used by our valuation adviser in the previous year, to value the separably identifiable intangible assets in the prior year.

The Directors have considered and assessed reasonably possible changes in key assumptions and have not identified any instances that could cause the carrying amount to exceed recoverable amount.

14 Intangible assets continued

Company	Software £'000	Total £'000
Cost		
Opening balance 1 July 2021	34	34
Additions in the year	–	–
At 30 June 2022	34	34
Additions in the period	75	75
At 31 December 2023	**109**	**109**
Amortisation		
Opening balance 1 July 2021	–	–
Charge for the year	–	–
At 30 June 2022	–	–
Charge for the period	34	34
At 31 December 2023	**34**	**34**
Net book value 30 June 2022	34	34
Net book value 31 December 2023	**75**	**75**

15 Investment in subsidiaries

Company only	**2023 £'000**	2022 £'000
Opening balance	**6,574**	17,947
Transfer to intermediate holding company	**–**	(11,373)
Closing balance	**6,574**	6,574

The full list of subsidiary undertakings of the Company are listed in note 39.

16 Inventory

	Group		Company	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Work in progress	**71**	403	**–**	–
Finished goods	**106**	406	**–**	–
	177	809	**–**	–

The value of inventory expensed as part of Cost of Sales in the year and prior year is disclosed in Note 6. Inventories are stated at the lower of cost and net realisable value.

Notes to the financial statements continued

For the period ended 31 December 2023

17 Trade and other receivables

Trade and other receivables (less than 12 months)	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Trade receivables	**5,694**	3,827	**–**	–
Prepayments	**766**	726	**533**	574
Accrued revenue	**7,624**	9,892	**–**	–
Other receivables	**334**	1,577	**84**	289
	14,418	16,022	**617**	863

All trade receivables are short term and are due from counterparties with acceptable credit ratings so there is no expectation of a credit loss. Accordingly, the Directors consider that the carrying value amount of trade and other receivables approximates to their fair value. Please refer to Note 31.

Trade and other receivables (more than 12 months)	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Trade receivables	**818**	–	**–**	–
	818	–	**–**	–

18 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and short term deposits. The carrying value of these approximates to their fair value. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Cash at bank and in hand (excluding restricted cash)	**109**	1,380	**56**	91
Restricted cash[i]	**488**	422	**–**	–
Cash and cash equivalents	**597**	1,802	**56**	91

i. Restricted cash relates to financing arrangements and customer collections.

19 Trade and other payables

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Trade payables	**5,033**	4,196	**1,023**	609
Accrued expenses	**2,358**	2,610	**674**	313
Deferred income	**2,236**	2,809	**–**	–
Social security and other taxes	**1,216**	2,790	**36**	324
Contingent consideration	**–**	868	**–**	868
Other payables	**4,360**	3,529	**121**	–
	15,203	16,802	**1,854**	2,114

Trade payables and accruals principally comprise amounts outstanding for trade purchases and continuing costs. The Directors consider that the carrying value amount of trade and other payables approximates to their fair value. Please refer Note 31.

Deferred income represents revenues collected but not yet earned as at the period/year end.

20 Leases

The Group had the following lease assets and liabilities at period/year end:

Leases	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Right of use assets				
Properties	**497**	774	**128**	279
Motor vehicles	**5**	3	**–**	–
	502	777	**128**	279
Lease liabilities				
Current	**189**	542	**132**	265
Non-current	**384**	349	**–**	–
	573	891	**132**	265

Maturity	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Maturity on the lease liabilities are as follows:				
Current	**189**	542	**132**	265
Due between 1-5 years	**243**	209	**–**	–
Due beyond 5 years	**141**	140	**–**	–
	573	891	**132**	265

Lease payments	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Continuing	**590**	212	**476**	144
Discontinuing	**148**	135	**–**	–
	738	347	**476**	144

Right of use assets

A reconciliation of the carrying amount of each class of right-of-use asset is as follows:

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Properties				
Opening balance 1 July 2022	**774**	579	**279**	–
Additions	**277**	487	**277**	431
Additions on acquisition	**–**	135	**–**	–
Depreciation	**(467)**	(427)	**(428)**	(152)
Transfer to assets held for sale	**(87)**	–	**–**	–
Closing balance 31 December 2023	**497**	774	**128**	279
Motor vehicles				
Opening balance 1 July 2022	**3**	31	**–**	–
Additions	**20**	–	**–**	–
Depreciation[1]	**(18)**	(28)	**–**	–
Closing balance 31 December 2023	**5**	3	**–**	–

1. Depreciation charge for the period includes £114,000 relating to discontinued operations

Notes to the financial statements continued
For the period ended 31 December 2023

20 Leases continued
Amounts Recognised in the Income Statement – continuing

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Interest on Lease Liabilities	114	48	34	–
Expenses relating to short-term leases	4	4	–	–
Income from sub-leasing right of use assets presented in 'other revenue'	–	–	–	–

Amounts Recognised in the Income Statement – discontinued

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Interest on Lease Liabilities	16	10	–	–
Expenses relating to short-term leases	–	–	–	–
Income from sub-leasing right of use assets presented in 'other revenue'	–	–	–	–

21 Borrowings

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Current				
Borrowings	8,030	11	2,960	–
	8,030	11	2,960	–
Non-current				
Borrowings	–	5,011	–	–
	–	5,011	–	–

In February 2022 the Group refinanced substantially all of its existing bank indebtedness and consolidated its borrowings into a single £5 million, four year, revolving credit facility provided to eEnergy Holdings Limited, an intermediate holding company in the Group. The facility was secured by way of debentures granted to the lender by all of the Group's trading subsidiaries. The facility included covenants relating to debt service cover and gearing. The facility was repaid on 9 February 2024 following disposal of Energy Management division to Flogas Britan Limited, see note 37 events subsequent to the year end.

During the current period the Group secured a further £2,525,000 in subordinated debt which was structured as secured discounted capital bonds. The bonds were issued at a 21.29% discount to their face value (equivalent to a discount rate of 1.25% per month plus a 2% repayment fee) and were due to be redeemed by the Company (through the payment of in aggregate £3,207,754) on or before 24 May 2024 (in respect of £2,000,000) and on or before 21 June 2024 (in respect of £525,000). The loan was settled in full subsequent to year end – refer note 37 events subsequent to the year end.

	2023 £'000	2022 £'000
Maturity on the borrowings are as follows:		
Current	8,030	11
Due between 1-2 years	–	11
Due between 2-5 years	–	5,000
Due beyond 5 years	–	–
	8,030	5,022

22 Other non-current liabilities

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Other non-current liabilities	–	2,252	–	–
	–	2,252	–	–

Other non-current liabilities relates to amounts owed to external funding providers in relation to customer receivables not yet received by the Group and paid on in respect of multi-year contracts.

23 Deferred tax

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Total	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000	**2023 £'000**	2022 £'000
Intangible assets	**–**	–	**788**	1,060	**788**	1,060
Tangible assets	**–**	–	**156**	258	**156**	258
Losses	**(1,076)**	(925)	**–**	–	**(1,076)**	(925)
Other	**(62)**	(146)	**–**	–	**(62)**	(146)
Total (assets) liabilities	**(1,138)**	(1,071)	**944**	1,318	**(194)**	247

Movement in temporary difference during the period

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period:

	2023 £'000	2022 £'000
Balance at 1 July	**247**	–
Acquired on acquisition – liability	**–**	1,142
Credit for the year	**–**	(895)
Prior year adjustment	**(247)**	–
Balance at 31 December 2023/30 June 2022	**–**	247

Unrecognised deferred tax assets

At 31 December 2023, the Group had tax losses in the UK and Ireland totalling £7.0 million and £1.8 million respectively (2022: £11.7 million and £3.2 million) for which deferred tax assets have been recognised to the extent that it is expected to be future taxable profits against which the Group can use the benefit therefrom.

24 Provisions

	Group		Company	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Put option	**–**	860	**–**	–
	–	860	**–**	–

During the prior year, the Group entered into a put option agreement in respect of the step acquisition of eEnergy Insights Limited to acquire further shares in the company, see note 15. The fair value of this option at acquisition was £3,921,000, of which £3,061,000 was utilised following exercise of options to acquire shares and discount rate unwind.

During the current period, the Group acquired the outstanding minority interests, as a consequence the put option was reversed.

25 Financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss:

	Group		Company	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Energy credits	**–**	21	**–**	–
	–	21	**–**	–

The energy credits are measured under level 2 of the fair value hierarchy as described in note 30.

Notes to the financial statements continued

For the period ended 31 December 2023

26 Share capital and share premium

Group and Company	Ordinary shares[1] Number	Share capital £'000	Deferred Share Capital £'000	Share Capital £'000	Share premium £'000
As at 30 June 2021 (ordinary shares of £0.003 each)	246,258,090	738	15,333	16,071	33,014
Issue of shares at placing price of £0.15	80,000,000	240	–	240	11,760
Issue of shares for the acquisition of Utility Team	18,031,249	55	–	55	2,903
Issue of shares in exchange for loan notes from eEnergy Insights Ltd	2,490,620	7	–	7	301
Cost of share issue		–	–	–	(618)
As at 30 June 2022 (ordinary shares of £0.003 each)	346,779,959	1,040	15,333	16,373	47,360
Issue of shares at placing price of £0.05	35,078,000	105	15,333	105	1,650
Issue of shares for deferred consideration for the acquisition of Utility Team	4,000,000	12	–	12	309
Issue of shares to acquire 100% of eEnergy Insights Ltd	1,366,666	4	–	4	–
As at 31 December 2023 (ordinary shares of £0.003 each)	**387,224,625**	**1,161**	**15,333**	**16,494**	**49,319**

The deferred shares have no voting, dividend, or capital distribution (except on winding up) rights. They are redeemable at the option of the Company alone.

Details of share options and warrants issued during the year and outstanding at 31 December 2023 are set out in note 33.

The share premium represents the difference between the nominal value of the shares issued and the actual amount subscribed less; the cost of issue of the shares, the value of the bonus share issue, or any bonus warrant issue.

27 Other reserves

Group	2023 £'000	2022 £'000
Share based payment reserve	**1,983**	1,087
Revaluation reserve – other current assets	**34**	34
Other equity reserve	**–**	(860)
	2,017	261

Company	2023 £'000	2022 £'000
Share based payment reserve	**1,983**	1,087
	1,983	1,087

Share based payment reserve	Cumulative charge recognised under IFRS 2 in respect of share-based payment awards.
Reverse acquisition reserve	Substantially represents the preacquisition value of the equity of the Parent Company and the investment in eLight, net of expenses that was made when eLight reversed into the company then known as Alexander Mining plc in January 2020 to create eEnergy Group plc.
Revaluation reserve	The increase in the assessed carrying value of other current assets.
Other equity reserve	This relates to the fair value of the put option liability in relation to the EIL acquisition in October 2021, which under the present access method is recognised against another equity reserve – refer note 25.

28 Non-controlling interests

Non-controlling interests relates to the Group's investment in eEnergy Insights Limited ("EIL"). In the prior year, the Group acquired 37.5% of the shares in EIL and this was accounted for as an equity accounted associate. The Group acquired additional shares in the year which took the Group's investment to 85.5% of the company and is now a consolidated subsidiary.

During the current period the Group acquired the remaining 14.5% interest in eEnergy Insights Limited and subsequently included it within assets held for sale given the sale of the Energy Management division subsequent to period end. As such, the non-controlling interest in losses from prior year of £77,000 was recognised in the Group for the current period and reflected within the profit after tax from discontinued operations.

29 Business combinations

UtilityTeam TopCo Limited

On 17 September 2021 the Company completed the acquisition of all of the share capital of UtilityTeam TopCo Limited ("UTT"). At the same time the Company completed the Placing of 80 million shares which were issued at 15 pence per share, raising £12.0 million for the Company. The Placing proceeds have been primarily used to settle the initial cash consideration for the acquisition of UTT.

UTT is a UK-based, top 20 energy consulting and procurement business, whose services aim to reduce costs and support clients' transition to Net Zero.

The initial consideration of £14.0 million was satisfied as follows:

- cash consideration of £9.5 million, payable on completion with further cash consideration of £1.5 million, payable on or before 31 December 2021; and
- the issue of 18.0 million Ordinary Shares, which had a fair value of £3.0 million based on the closing share price on the day prior to completion.

An adjustment of £780,000 was agreed with the vendors to reflect the difference between the actual level of net working capital and debt in UTT when compared to that estimated in the Sale & Purchase Agreement. This amount was repaid by the vendors in cash during 2022. This adjustment is reflected in the table below.

It was initially agreed that further earn-out consideration of up to a maximum of £5.1 million may be payable, based on a multiple of 7.0x UTT's EBITDA, for the year ending 31 December 2021. eEnergy agreed to pay £7 for every £1 of EBITDA generated in excess of £2.3 million, up to a maximum EBITDA of £3.0 million ("Earn-Out Consideration").

The Earn-Out Consideration would be satisfied as follows:

- the first £1.5 million of Earn-Out Consideration to be paid in cash; and
- any balance, up to £3.6 million, to be satisfied by the issue of new Ordinary Shares at a price that is the higher of 24p and the 30 day volume weighted average price prior to 31 December 2021.

The Earn Out Consideration was agreed in July 2022 and it was further agreed that it would be satisfied by the issue of 4,000,000 Ordinary Shares to the vendors. Subsequently, the deferred consideration of £1,900k referred below was reduced by £1,032,000 to a value of £868,000 in the year ended 30 June 2022 and by a further £547k in the period ended 31 December 2023, with the final amount of £312,000 settled through the issue of the 4,000,000 Ordinary Shares referred above – refer to Note 33.

The fair value of the assets acquired and liabilities assumed of UTT at the date of acquisition based upon the UTT consolidated balance sheet at 17 September 2021 were as follows:

	£'000
Property, plant and equipment	191
Right of use assets	135
Cash at bank	3,994
Inventory	27
Trade and other receivables	3,574
Trade and other payables	(6,564)
Lease liabilities	(141)
Other liabilities	(2,190)
Loans and other borrowings	(1,450)
Intangible assets	4,526
Deferred tax liability	(1,132)
Total identifiable net assets acquired	970
Goodwill	14,970
	15,940
Consideration:	
Initial consideration (shares issued recorded at the market value)	2,959
Cash	11,081
Contingent consideration	1,900
Total consideration	15,940

Goodwill relates to the accumulated "know how" and expertise of the business and its staff. None of the goodwill is expected to be deducted for income tax purposes. A purchase price allocation was performed during the prior year which recognised specific identifiable intangible assets which are deductible for income tax purposes. These separately identified intangible assets were:

- Brand names – £1,039k and
- Customer relationships – £3,487k

Balances related to Utility Team acquisition were classified as assets held for sale at the balance sheet date, and subsequently disposed of in February 2024.

Notes to the financial statements continued

For the period ended 31 December 2023

30 Financial instruments and risk management

Capital Risk Management

The Company manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders. The overall strategy of the Company and the Group is to minimise costs and liquidity risk.

The capital structure of the Group consists of equity attributable to equity holders of the Parent, comprising issued share capital, foreign exchange reserves and retained earnings as disclosed in the Consolidated Statement of Changes of Equity.

The Group is exposed to a number of risks through its normal operations, the most significant of which are interest, credit, foreign exchange and liquidity risks. The management of these risks is vested to the Board of Directors.

The sensitivity has been prepared assuming the liability outstanding was outstanding for the whole period. In all cases presented, a negative number in profit and loss represents an increase in finance expense/decrease in interest income.

Fair Value Measurements Recognised in the Statement of Financial Position

The following provides an analysis of the Group's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 & 2 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 2 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- Level 3 assets are assets whose fair value cannot be determined by using observable inputs or measures, such as market prices or models. Level 3 assets are typically very illiquid, and fair values can only be calculated using estimates or risk-adjusted value ranges.

Equity Price Risk

The Group is exposed to equity price risks arising from equity investments. Equity investments are held for strategic purposes.

Interest rate risk

The Group is exposed to interest rate risk whereby the risk can be a reduction of interest received on cash surpluses held and an increase in interest on borrowings the Group may have. The maximum exposure to interest rate risk at the reporting date by class of financial asset was:

	2023 £'000	2022 £'000
Bank balances	**597**	1,802

Given the low interest rate environment on bank balances, any probable movement in interest rates would have an immaterial effect.

The maximum exposure to interest rate risk at the reporting date by class of financial liability was:

	2023 £'000	2022 £'000
Borrowings	**8,030**	5,022

The borrowings attract interest rates between 9% and 15% (2022: between 2.5% and 4.9%). Assuming the amount at period end was held for a year, a 10% movement in this rate would have a £1,000k (2022: £502k) effect on the amount owing. The borrowings were settled subsequent to period end – refer note 37.

30 Financial instruments and risk management continued

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. Indicators that there is no reasonable expectation of recovery include, amongst others, failure to make contractual payments for a period of greater than 120 days past due.

The carrying amount of financial assets represents the maximum credit exposure.

The principal financial assets of the Company and Group are bank balances, trade receivables and energy credits. The Group deposits surplus liquid funds with counterparty banks that have high credit ratings and the Directors consider the credit risk to be minimal.

The Group's maximum exposure to credit by class of individual financial instrument is shown in the table below:

Group	**2023 Carrying value £'000**	**2023 Maximum exposure £'000**	2022 Carrying value £'000	2022 Maximum exposure £'000
Cash and cash equivalents	**597**	**597**	1,802	1,802
Trade receivables	**5,694**	**5,694**	3,827	3,827
Energy credits	**–**	**–**	21	21
	6,291	**6,291**	5,650	5,650

Company	**2023 Carrying value £'000**	**2023 Maximum exposure £'000**	2022 Carrying value £'000	2022 Maximum exposure £'000
Cash and cash equivalents	**56**	**56**	91	91
Trade receivables	**–**	**–**	–	–
	56	**56**	91	91

No aged analysis of financial assets is presented as no financial assets are past due at the reporting date.

Trade receivables

The Group has applied IFRS 9 Financial Instruments and the related consequential amendments to other IFRSs. IFRS 9 introduces requirements for the classification and measurement of financial assets and financial liabilities as well as the impairment of financial assets.

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a loss event to have occurred before credit losses are recognised.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. During the period, there were no credit losses experienced and no loss allowance being recorded.

Currency Risk

The Group operates in a global market with income and costs arising in a number of currencies and is exposed to foreign currency risk arising from commercial transactions, translation of assets and liabilities and net investment in foreign subsidiaries. Exposure to commercial transactions arise from sales or purchases by operating companies in currencies other than the Company's functional currency. Currency exposures are reviewed regularly.

The Group has a limited level of exposure to foreign exchange risk through its foreign currency denominated cash balances, trade receivables and payables:

Euro	**2023 £'000**	2022 £'000
Cash and cash equivalents	**77**	317
Trade receivables	**3,488**	3,091
Trade payables	**(229)**	(255)
	3,336	3,153

Notes to the financial statements continued

For the period ended 31 December 2023

30 Financial instruments and risk management continued

Currency Risk continued

The table below summarises the impact of a 10% increase/decrease in the relevant foreign exchange rates versus the €EUR rate for the Group's pre-tax earnings for the period and on equity:

	2023 £'000	2022 £'000
Impact of 10% rate change		
Euro	**370**	350
	370	350

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group seeks to manage liquidity risk by regularly reviewing cash flow budgets and forecasts to ensure that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group deems there is sufficient liquidity for the foreseeable future.

The Group had cash and cash equivalents at period end as below:

	2023 £'000	2022 £'000
Unrestricted Cash	**109**	1,380
Restricted Cash[i]	**488**	422
Cash and cash equivalents	**597**	1,802

i. Restricted Cash refers to deposits held by the Group, not available until the satisfaction of sales contracts.

31 Financial assets and financial liabilities

2023 – Group Financial assets (liabilities)	Financial assets at amortised cost £'000	Financial liabilities at amortised cost £'000	Total £'000
Trade and other receivables (current and non-current)	**7,612**	**–**	**7,612**
Cash and cash equivalents	**597**	**–**	**597**
Trade and other payables	**–**	**(12,845)**	**(12,845)**
Lease liabilities (current and non-current)	**–**	**(573)**	**(573)**
Borrowings (current and non-current)	**–**	**(8,030)**	**(8,030)**
	8,209	**(21,448)**	**(13,239)**

2023 – Company Financial assets/liabilities	Financial assets at amortised cost £'000	Financial liabilities at amortised cost £'000	Total £'000
Trade and other receivables	**617**	**–**	**617**
Cash and cash equivalents	**56**	**–**	**56**
Trade and other payables	**–**	**(1,180)**	**(1,180)**
Lease liabilities (current and non-current)	**–**	**(132)**	**(132)**
Borrowings (current and non-current)	**–**	**(2,960)**	**(2,960)**
	673	**(4,272)**	**(3,599)**

31 Financial assets and financial liabilities continued

2022 – Group Financial assets (liabilities)	Financial assets at fair value through profit or loss £'000	Financial assets at amortised cost £'000	Financial liabilities at amortised cost £'000	Total £'000
Fair value assets through profit or loss	21	–	–	21
Trade and other receivables	–	6,130	–	6,130
Cash and cash equivalents	–	1,802	–	1,802
Trade and other payables	–	–	(14,192)	(14,192)
Lease liabilities (current and non-current)	–	–	(892)	(892)
Borrowings (current and non-current)	–	–	(5,022)	(5,022)
	21	7,932	(20,106)	(12,153)

2022 – Company Financial assets/liabilities	Financial assets at amortised cost £'000	Financial liabilities at amortised cost £'000	Total £'000
Trade and other receivables	863	–	863
Cash and cash equivalents	91	–	91
Trade and other payables	–	(1,801)	(1,801)
	954	(1,801)	(847)

32 Reconciliation of movement in net debt

	At 1 July 2022 £'000	New borrowing £'000	Interest added to debt £'000	Debt repaid £'000	Other cashflows £'000	Acquisition Adjustment £'000	**At 31 December 2023 £'000**
Cash at bank	1,380	2,525	–	(600)	(2,840)	132	**597**
Borrowings	(5,022)	(2,525)	(1,083)	600	–	–	**(8,030)**
Net cash (debt) excluding lease liabilities	(3,642)	–	(1,083)	–	(2,840)	132	**(7,433)**
Lease liabilities	(892)	(257)	(114)	690	–	–	**(573)**
Net cash (debt)	(4,534)	(257)	(1,197)	690	(2,840)	132	**(8,006)**

	At 1 July 2021 £'000	New borrowing £'000	Interest added to debt £'000	Debt repaid £'000	Other cashflows £'000	On acquisition £'000	At 30 June 2022 £'000
Cash at bank	3,332	4,890	–	(3,634)	(7,215)	4,007	1,380
Borrowings	(1,846)	(4,890)	(123)	3,287	–	(1,450)	(5,022)
Net cash (debt) excluding lease liabilities	1,486	–	(123)	(347)	(7,215)	2,557	(3,642)
Lease liabilities	(698)	(484)	(57)	347	–	–	(892)
Net cash (debt)	788	(484)	(180)	–	(7,215)	2,557	(4,534)

Notes to the financial statements continued
For the period ended 31 December 2023

33 Share based payments and share options

(i) Executive Share Option Plan

The Group operates an Executive Share Option Plan, under which directors, senior executives and consultants have been granted options to subscribe for ordinary shares. All options are share settled.

The fair value of services received in return for share options granted is measured by reference to the fair value of the share options granted. This estimate is based on the Black-Scholes model which is considered most appropriate considering the effects of vesting conditions, expected exercise period and the payment of dividends by the Company.

(ii) Management Incentive Plan ("MIP")

On 7 July 2020, the Company created the eEnergy Group Management Incentive Plan. The MIP is linked to the growth in the value of the Company. The forms of incentive award to be implemented as part of the MIP comprise:

(a) "Growth Share Awards": awards granted in the form of an immediate beneficial interest to be held by participants in a discrete and bespoke class of ordinary shares ("Growth Shares") in eEnergy Holdings Limited, a wholly owned subsidiary of the Company. After a minimum period of three years, the Growth Shares may be exchanged for new ordinary shares of 0.3 pence each in the Company ("Ordinary Shares"), subject to meeting performance conditions.

(b) "Share Options": awards granted in the form of a share option with an exercise price equal to the market value of an Ordinary Share at the date of Grant. These are structured to qualify for the tax advantaged Enterprise Management Incentive ("EMI Share Options").

Under the MIP, the aggregate value of EMI Share Options and the Growth Shares is capped at 12.5% of the Company's market capitalisation on conversion of the Growth Shares.

Malus, clawback and leaver provisions apply to the MIP as outlined in the Admission Document.

Growth Shares

As at 31 December 2023 the following Directors ("Participants") had subscribed for Growth Shares in eEnergy Holdings Limited for their tax market value as set out in the table below. This value was determined by the Company's independent advisers, Deloitte LLP. Payment of the subscription monies by the Participants is a firm commitment, with payment normally deferred until the MIP matures.

Director	Number of Growth Shares	Aggregate subscription price
Harvey Sinclair	5,500	£298,650
Andrew Lawley	1,000	£54,300
David Nicholl	1,000	£54,300
Total	7,500	£407,250

The Participants earn a percentage share of the "Value Created", being the difference between the Group's market capitalisation (one-month average) at the start and end of the measurement period (which is at least three years) adding any returns to shareholders such as dividends and deducting the value of new shares issued for cash or otherwise. The percentage share of the Value Created is subject to a minimum Total Shareholder Return ("TSR") hurdle of 5% and up to 15% TSR is equal to the annual TSR realised by shareholders over the measurement period, and thereafter increased on a straight line basis so that at 25% TSR the share of the Value Created is 20%, which is the maximum percentage of the Value Created allocated to the MIP.

Growth Shares can be exchanged for Ordinary Shares after three or four years at the Company's or Participant's option, based on the Value Created at that time. The value of any EMI Share Options held by a Participant are deducted from the value of their Growth Shares before conversion to Ordinary Shares. The Remuneration Committee must be satisfied that the gains on the Growth Shares are justified by the underlying financial performance of the Group.

Participants will be required to hold 50% of any Ordinary Shares acquired on conversion of the Growth Shares until the end of the fourth year (30 June 2024).

On a change of control, the TSR growth rate up to that date is measured and if the 5% minimum is achieved, Participants will share in the value created.

The fair value of the Growth Shares over the vesting period being three years grant date was deemed to be £833,000, with £196,000 (2022: £214,000) fair value expensed during the year.

EMI options

The Company granted the following EMI Share Options over Ordinary shares at an exercise price of 6.12 pence, based on the closing price on Monday 6 July 2020:

Director	Number of Options
Harvey Sinclair	4,084,960
Ric Williams	4,084,960
Total	8,169,920

33 Share based payments and share options continued

(ii) Management Incentive Plan ("MIP") continued

EMI options continued

The EMI options are exercisable when the MIP matures, being after a minimum period of three years. The Remuneration Committee must be satisfied that the returns are justified by the underlying financial performance of the Group.

Ric Williams resigned as a director during the period his EMI Share Options lapsed at the end of his notice period. As a result, the vesting period for his award has been deemed to reduce from three years to two years and three months and the value that has been expensed has been accelerated accordingly.

The fair value of the EMI Options over the vesting period being three years grant date was deemed to be £200,000, with £18,000 (2022: £91,000) fair value expensed during the year.

(iii) EMI Share Option Awards and non advantaged Share Option Awards

On 7 December 2021 the Company granted share options over 13,800,000 Ordinary Shares at an exercise price of 0.3 pence per share. The majority of the awards were structured so that the following vesting criteria applied:

- 1/3rd with an exercise condition of the share price being above 24p at vesting;
- 1/3rd with an exercise condition of the share price being above 20p at vesting; and
- 1/3rd with no exercise price condition.

2.5 million of the Options were awarded to Crispin Goldsmith, with 2/3rds of his award having an exercise price condition at 15p at the vesting date and the remainder having no exercise price condition.

Crispin Goldsmith was appointed as a Director of the Company on 20 July 2022.

(iv) Other share options or warrants

On 9 January 2020 the Company issued 1,575,929 warrants to a number of advisers as part of the reverse acquisition transaction completed on that date which are exercisable for the 4 years following the anniversary of the date of issue at 7.5p per share. These adviser warrants had an estimated value of £45,544 which is based on the Black-Scholes model which is considered most appropriate considering the effects of vesting conditions, expected exercise period and the payment of dividends by the Company.

The estimated fair values of warrants which fall under IFRS 2, and the inputs used in the Black Scholes Option model to calculate those fair values are as follows:

Date of grant	Number of warrants	Share price	Exercise price	Expected volatility	Expected life	Risk free rate	Expected dividends
9 Jan 2020	1,575,929	£0.075	£0.075	45.00%	5	0.00%	0.00%

On 25 November 2022, the Group secured £2,525,000 in secured debt financing being structured as secured discounted capital bonds. In connection to this debt financing, the subscribers of the bonds were granted 42,083,328 warrants in the Company which are exercisable for 5 years following the issue of the bonds. These bond warrants had an estimate value of £631,788 which is based on the Black-Scholes model which is considered the most appropriate considering the effects of vesting conditions, expected exercise period and the payment of dividends by the Company.

32,791,216 of the bond warrants were granted on or around 25 November 2022, with the remaining 9,292,112 granted on or around 20 December 2022, following the receipt of shareholder approval at the Company's 2022 AGM.

The estimated fair value of warrants which fall under IFRS 2, and the inputs used in the Black Scholes Option model to calculate those fair values are as follows:

Date of grant	Number of warrants	Share price	Exercise price	Expected volatility	Expected life	Risk free rate	Expected dividends
25 Nov 2022	32,791,216	£0.0475	£0.060	45.00%	5	3.00%	0.00%
20 Dec 2022	9,292,112	£0.0320	£0.060	45.00%	5	3.50%	0.00%

Notes to the financial statements continued

For the period ended 31 December 2023

33 Share based payments and share options continued

Total contingently issuable shares

	2022	2021
Executive Share Option Plan	471,000	471,000
Other share options and warrants	67,654,177	25,570,849
	68,125,177	26,041,849

The number and weighted average exercise price of share options and warrants are as follows:

	2023		2022	
	Weighted average exercise price	**Number of options**	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	**4.969p**	**26,041,849**	17.887p	1,923,596
Granted during the year (acquisitions)	**–**	**–**	16.2p	2,000,000
Granted during the year	**–**	**–**	2.5p	22,118,253
Granted during the period – bond warrants	**6.000p**	**42,083,328**	–	–
Outstanding at the end of the year	**5.606p**	**68,125,177**	4.969p	26,041,849
Exercisable at the end of the year	**6.694p**	**44,130,257**	20.961p	2,046,929

Share options and warrants outstanding at 31 December 2023, had a weighted average exercise price of 5.606 pence (2022: 4.969 pence) and a weighted average contractual life of 4.85 years (2022: 3.01 years). To date no share options have been exercised.

34 Capital commitments

There were no capital commitments at 31 December 2023 or 30 June 2022.

35 Contingent liabilities

There were no contingent liabilities at 31 December 2023 or 30 June 2022.

36 Related party transactions

The remuneration of the Directors and their interest in the share capital is disclosed in the Remuneration Committee report on pages 34 to 37.

On 20 and 21 December 2022, the company borrowed £525k from its directors at an annual interest rate of 15%. At the period end, the group owed in principal £200k to Derek Myers & Nigel Burton and £25k to Crispin Goldsmith, Harvey Sinclair, Gary Worby, David Nicholl and Andrew Lawley. On 12 February 2024, the company repaid in full the principal and accumulated interest amounting to £632k.

On 25 November 2022, eEnergy Group PLC borrowed £1 million from FFIH Limited at an annual interest rate of 15%. John Foley, was a director of both eEnergy Group PLC and FFIH Limited. On the 9 February 2024 the loan was repaid and John Foley resigned as a director. At 31 December 2023, £1.2 million was outstanding.

On 13 November 2023, Luceco PLC acquired a 9.0% interest in eEnergy Group PLC. On 9 February 2024, John Hornby, Director of Luceco PLC was appointed to the Board of Directors of eEnergy Group PLC. During the period, eEnergy acquired £860k of goods and services from Luceco PLC (and it's wider group of subsidiaries). At the period end the trade creditor balance with Luceco was £712k.

During the period, the Group acquired £457k (2022: £74k) goods and services from Utility Data Intelligence (UDI) Limited, for whom Gary Worby is a mutual director. At the end of the period, the trade creditor balance with UDI was £67k (2022: £23k).

During the period, eEnergy Group Plc received an advance of £500k from Derek Myers in relation to a potential transaction which ultimately did not proceed. On termination of the transaction the advance became repayable. At the end of the period, £70k was outstanding, which has been repaid post period end.

Balances and transactions between companies within the Group that are consolidated and eliminated are not disclosed in these financial statements.

37 Events subsequent to period end

Subsequent to period end, the Group completed the sale of its Energy Management Division to Flogas Britain Limited ("Flogas") for an initial consideration of £29.1 million (comprising cash of £25 million and £4.1 million to settle amounts due from the Group to the Energy Management Division) and additional contingent consideration capped at £20m (estimated by the Directors to be in the range of £8-10 million) to be based on the trading performance of the Energy Management Division for the period to 30 September 2025. The net proceeds that were received were used to pay down the Group's £8.1 million debt facilities in full – please refer to note 32.

Additionally the Group implemented a new share incentive awards scheme ("New Awards") under the Group's 2024 Share Option Plan which will work alongside the existing Management Incentive Plan implemented in 2020 (note 33). The New Awards are subject to achieving a minimum vesting threshold share price of 9.32p with the share price performance target being tested three years from award in January 2027.

In February 2024 the Group entered into an agreement with National Westminster Bank Plc to provide up to £40 million of project funding to finance energy efficiency and onsite generation technologies for the Group's public sector customers.

38 Control

In the opinion of the Directors as at the period end and the date of these financial statements there is no single ultimate controlling party.

39 List of subsidiary undertakings

As at 31 December 2023, the Group owned interests in the following subsidiary undertakings, which are included in the consolidated financial statements:

Name	Holding 2023	Holding 2022	Business activity	Country of incorporation	Registered address
Direct subsidiary undertaking					
eEnergy Holdings Limited	100%	100%	Holding Company	England & Wales	20 St Thomas Street, London, SE1 9RS
Indirect subsidiary undertakings					
eLight Group Holdings Limited	100%	100%	Holding Company	Ireland	1-3 The Green, Malahide, Co. Dublin K36 N153
eEnergy Services N.I. Limited	100%	100%	Trading Company	Northern Ireland	19 Arthur Street, Belfast, BT1 4GA
e-Light Ireland Limited	100%	100%	Trading Company	Ireland	1-3 the Green, Malahide, Co. Dublin K36 N153
e-Light EAAS Projects 2 Limited	100%	–	Trading Company	Ireland	1-3 the Green, Malahide, Co. Dublin K36 N153
eLight EAAS Projects Limited	100%	100%	Trading Company	Ireland	1-3 the Green, Malahide, Co. Dublin K36 N153
eEnergy UK Projects Limited	100%	–	Trading Company	England & Wales	20 St Thomas Street, London, SE1 9RS
eEnergy UK Projects SPV 1 Limited	100%	–	Trading Company	England & Wales	20 St Thomas Street, London, SE1 9RS
eEnergy Services UK Limited	100%	100%	Trading Company	England & Wales	20 St Thomas Street, London, SE1 9RS
eEnergy EAAS Projects UK Limited	100%	100%	Trading Company	England & Wales	20 St Thomas Street, London, SE1 9RS
eEnergy Services RSL Limited	100%	100%	Non-Trading Company	England & Wales	20 St Thomas Street, London, SE1 9RS
Smartech Energy Projects Limited	100%	100%	Non-Trading Company	England & Wales	20 St Thomas Street, London, SE1 9RS
eEnergy Aquilla Projects Ltd	100%	–	Trading Company	England & Wales	20 St Thomas Street, London, SE1 9RS
eEnergy Consultancy Limited*	100%	100%	Trading Company	England & Wales	20 St Thomas Street, London, SE1 9RS
Energy Centric Limited*	100%	100%	Non-Trading Company	England & Wales	20 St Thomas Street, London, SE1 9RS
Zero Carbon Projects Limited*	100%	100%	Non-Trading Company	England & Wales	20 St Thomas Street, London, SE1 9RS
Zero Carbon Projects Pty Limited*	100%	100%	Non-Trading Company	Australia	Suite 4, 142 Spit Rd, Mosman, NSW, 2088
eEnergy Insights Limited*	100%	85.5%	Trading Company	England & Wales	20 St Thomas Street, London, SE1 9RS
eEnergy Management Limited*	100%	100%	Trading Company	England & Wales	20 St Thomas Street, London, SE1 9RS
eEnergy Management Topco Limited*	100%	100%	Holding Company	England & Wales	20 St Thomas Street, London, SE1 9RS
eEnergy Management Holdings Limited*	100%	100%	Holding Company	England & Wales	20 St Thomas Street, London, SE1 9RS
eEnergy Management USA Limited*	100%	100%	Non-trading Company	England & Wales	20 St Thomas Street, London, SE1 9RS
UtilityTeam US Inc*	100%	100%	Non-trading Company	United States	20 St Thomas Street, London, SE1 9RS

* Entities that comprise the Energy Management Division that have been sold subsequent to period end – Note 4.

Except for those subsidiary entities comprising the Energy Management Division, as noted above, all other subsidiary entities incorporated in England and Wales are exempt from the requirements of the Companies Act 2006 related to the audit of individual accounts by virtue of Section 479A CA2006.