

Independent auditor's report to the members of eEnergy Group plc

Opinion

We have audited the financial statements of eEnergy Group plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Cash Flows, the Consolidated and Company Statements of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included obtaining an understanding of the basis of preparation of Board approved budgets and cash flow forecasts for the period to 31 December 2023, assessing the accuracy of historic forecasts, testing the underlying assumptions and assessing management's sensitivity analysis on possible changes which could impact the available headroom, including loan covenant compliance. We also identified and tested events subsequent to the year-end date impacting upon going concern.

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

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

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the group financial statements as a whole to be £300,000 (2021: £148,000). This was calculated at the average of 2% of revenue and 5% of adjusted EBITDA, excluding exceptional items. Benchmarks of revenue and adjusted EBITDA have been selected as we consider these to be the most significant determinants of the group's performance for shareholders. The materiality benchmarks are unchanged from the prior year.

The parent company materiality was £167,000 (2021: £147,500) based upon 5% of the adjusted loss before tax excluding exceptional items in order to ensure adequate coverage of expenditure, being the main driver of results for the company.

Performance materiality is the application of materiality at the individual account or balance level set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Performance materiality for the group and parent company was set at 70% (2021: 70%) of overall materiality, equating to £210,000 and £117,000 respectively, based upon our assessment of the risk of misstatement through substantive testing and the incidence of errors detected in prior periods.

Component materiality for significant and/or material components of the group ranged from £101,000 to £23,000 (2021: £69,000 to £13,000).

We agreed with the Audit Committee that we would report to them all individual audit differences identified during the course of our audit in excess of £15,000 (2021: £7,400) for the group and £8,350 (2021 - £7,375) for the parent company.

Our approach to the audit

In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the group and parent company financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates. Further details are included in the Key audit matters section of our report. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The accounting records and financial statements of two material subsidiary undertakings were audited by a component auditor in Ireland under our instructions as group auditor in accordance with ISA (UK) 600, based upon component materiality and risk to the group.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our scope addressed this matter
<p>Revenue recognition</p> <p>Under ISA (UK) 240 there is a rebuttable presumption that there is a risk of material misstatement in revenue recognition due to fraud.</p> <p>Revenue for the year ended 30 June 2022 amounted to £22,096,000 and details of the related judgements and estimates are disclosed in notes 2.12 and 2.22.</p> <p>The group has various revenue streams comprising Light as a Service ('LaaS'), energy management services, capital expenditure contracts and trading of energy credits. Each revenue stream has different contractual and performance obligations which in turn require separate revenue recognition policies and assumptions requiring judgement and estimation.</p> <p>The acquisition of the UtilityTeam Group during the year (subsequently renamed eEnergy Management Group) presents additional risk that the revenue from these entities, within the energy management sector of the business, has not been appropriately accounted for in accordance with IFRS 15 Revenue from Contracts with Customers.</p> <p>Finally, during the year revenue has been generated by a new subsidiary (formerly equity accounted associate) eEnergy Insights Limited, which provides specialist smart metering measurement equipment and analytics. There is a risk this revenue has not been appropriately accounted for in accordance with IFRS 15.</p> <p>Revenue recognition is therefore a key focus of our audit.</p>	<p>Our testing in this area included the following:</p> <ul style="list-style-type: none"> Updating and documenting (for new revenue streams) our understanding of the internal control environment in operation for the material income streams and undertaking a walk-through to ensure that the key controls within these systems have been operating in the period under audit; Substantive transactional testing of income recognised in the financial statements, including deferred and accrued income balances recognised at the year-end; Reviewing the audit working papers of the component auditor and discussing their work and findings with the audit partner and manager; Reviewing post-year end receipts to ensure completeness of income recorded in the accounting period; Testing revenue cut-off having regard to: performance obligations under the contract, installation, subcontractor and material costs (energy efficiency contracts) and the types of energy management contracts, including the existence of one or more performance obligations; Reviewing revenue contracts to understand the substance of arrangements with finance partners and ensuring these are accounted for appropriately; and Ensuring revenue is accounted for and disclosed in accordance with IFRS 15.

Independent auditor's report to the members of eEnergy Group plc continued

Key audit matters continued

Key audit matter	How the scope of our audit responded to the key audit matter
<p>Acquisition accounting in accordance with IFRS 3 'Business Combinations'</p> <p>In September 2021, the group expanded its Energy Management division and acquired the UtilityTeam Group, a UK-based renewable energy consulting and smart procurement business.</p> <p>The transaction comprised of various elements of purchase consideration, including deferred and contingent consideration based on future adjusted EBITDA targets.</p> <p>Goodwill and other intangible assets arising during the year ended 30 June 2022 amounted to £19,944,000 and details of the related judgements and estimates are disclosed in notes 2.22 and 14.</p> <p>Management engaged an expert to prepare a Purchase Price Allocation report ('PPA'), detailing the calculation of goodwill together with the recognition of separately identifiable intangible assets in accordance with IFRS 3 and IFRS 13. The evaluation of the fair value of assets and liabilities at the acquisition date, together with the PPA exercise, involves judgement, assumptions and estimation.</p> <p>There is a risk that the valuation of the various assets and liabilities, as well as purchase consideration where judgement is required when valuing contingent elements, has not been calculated correctly and is therefore materially misstated.</p> <p>There is also a risk that the accounting entries have not been recorded appropriately in accordance with IFRS 3, and that the disclosures in the financial statements surrounding the acquisition are incomplete.</p> <p>Acquisition accounting for business combinations is therefore a key focus for our audit.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> • Obtaining and reviewing the final completion accounts at the acquisition date, and performing appropriate audit procedures on the opening balances and any fair value adjustments; • Reviewing the key contractual terms of the Share Purchase Agreement; • Review of, and providing challenge to, key assumptions and methods included within the PPA exercise by management and management's expert; • Assessing the competence, capabilities and objectivity of the preparer of the PPA report; • Substantively testing the cost of investment balances within the parent company's individual financial statements; • Evaluating management's goodwill impairment review and assessing whether there are any indicators of impairment; • Discussion with management on the basis for calculating the deferred and contingent elements of the purchase consideration and ensuring the rationale is in accordance with IFRS; • Review of the disclosures made in the financial statements to ensure compliance with IFRS 3 and IFRS 13 Fair Value Measurement.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, and application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from IFRSs, the Companies Act 2006 and the AIM Rules.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to enquiries of management and review of legal / regulatory correspondence and legal ledger accounts.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the estimates, judgements and assumptions applied by management regarding revenue recognition and the assessment of impairment of goodwill and intangible assets gave the greatest potential for management bias.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- We communicated the risk of non-compliance with laws and regulations, including fraud, to the component auditor who incorporated this into their testing, which was reviewed by the group audit team.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report to the members of eEnergy Group plc continued

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Thompson (Senior Statutory Auditor)

For and on behalf of PKF Littlejohn LLP

Statutory Auditor

15 Westferry Circus

Canary Wharf

London E14 4HD

Date: 19 December 2022

Consolidated statement of comprehensive income

For the year to 30 June 2022

	Note	Year to 30 June 2022 £'000	Period to 30 June 2021 £'000
Continuing operations			
Revenue from contracts with customers	5	22,096	13,596
Cost of sales	6	(9,131)	(8,059)
Gross profit		12,965	5,537
Operating expenses	7	(12,233)	(4,955)
Included within operating expenses are:			
Exceptional items	7	2,289	248
Adjusted operating expenses		(9,944)	(4,707)
Adjusted earnings before interest, taxation, depreciation and amortisation		3,021	830
Earnings before interest, taxation, depreciation and amortisation		732	582
Depreciation, amortisation and impairment		(2,636)	(333)
Finance costs – net	10	(323)	(426)
Loss before tax		(2,227)	(177)
Income tax	11	736	205
(Loss)/profit for the year from continuing operations		(1,491)	28
Attributable to:			
Members of the parent entity		(1,431)	28
Non-controlling interests		(60)	–
		(1,491)	28
Other comprehensive income – items that may be reclassified subsequently to profit and loss			
Change in the fair value of other current assets		–	34
Translation of foreign operations		(125)	102
Total other comprehensive (loss)/profit		(125)	136
Total comprehensive (loss)/profit for the year		(1,616)	164
Total comprehensive (loss)/profit for the year attributable to:			
Members of the parent entity		(1,556)	164
Non-controlling interests		(60)	–
		(1,616)	164
Basic and diluted (loss)/earnings per share from continuing operations (pence)	12	(0.44p)	0.01p

The accompanying notes form part of the financial statements.

Consolidated statement of financial position

As at 30 June 2022

	Note	As at 30 June 2022 £'000	As at 30 June 2021 Restated £'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	458	80
Intangible assets	14	28,733	10,503
Right of use assets	21	777	610
Deferred tax asset	24	1,071	415
Investment in associate	15	—	155
Total non-current assets		31,039	11,763
Inventories	17	809	371
Trade and other receivables	18	16,022	5,513
Financial assets at fair value through profit or loss	26	21	140
Cash and cash equivalents	19	1,802	3,332
Total current assets		18,654	9,356
TOTAL ASSETS		49,693	21,119
NON-CURRENT LIABILITIES			
Lease liability	21	399	434
Borrowings	22	5,011	1,245
Other liabilities	23	2,252	468
Deferred tax liability	24	1,318	415
Provision	25	860	—
Total non-current liabilities		9,840	2,562
CURRENT LIABILITIES			
Trade and other payables	20	16,802	7,819
Lease liability	21	492	264
Borrowings	22	11	601
Total current liabilities		17,305	8,684
TOTAL LIABILITIES		27,145	11,246
NET ASSETS		22,548	9,873
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Issued share capital	27	16,373	16,071
Share premium	27	47,360	33,014
Other reserves	28	261	601
Reverse acquisition reserve	28	(35,246)	(35,246)
Foreign currency translation reserve		(138)	(13)
Accumulated losses		(5,985)	(4,554)
Equity attributable to equity holders of the parent		22,625	9,873
Non-controlling interest		(77)	—
TOTAL EQUITY		22,548	9,873

The accompanying notes form part of the financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 19 December 2022 and were signed on their behalf:

Crispin Goldsmith

Chief Financial Officer

Company number 05357433

Company statement of financial position

As at 30 June 2022

	Note	As at 30 June 2022 £'000	As at 30 June 2021 £'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	28	—
Intangible assets	14	34	18
Right of use assets	20	279	—
Investment in associate	21	—	155
Investment in subsidiary	16	6,574	17,947
Total non-current assets		6,915	18,120
Loan to subsidiaries		24,380	579
Trade and other receivables	18	863	153
Cash and cash equivalents	19	91	1,187
Total current assets		25,334	1,919
TOTAL ASSETS		32,249	20,039
NON-CURRENT LIABILITIES			
Deferred tax liability	24	—	—
Borrowings	22	—	—
Total non-current liabilities		—	—
CURRENT LIABILITIES			
Trade and other payables	20	2,114	1,003
Lease liability	21	265	—
Loans from subsidiaries		—	1,452
Total current liabilities		2,379	2,455
TOTAL LIABILITIES		2,379	2,455
NET ASSETS		29,870	17,584
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Issued share capital	27	16,373	16,071
Share premium	27	47,360	33,014
Other reserves	28	1,087	567
Accumulated losses		(34,950)	(32,068)
TOTAL EQUITY		29,870	17,584

The accompanying notes form part of the financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 19 December 2022 and were signed on their behalf:

Crispin Goldsmith
Chief Financial Officer
Company number 05357433

Statements of cashflows

For the year ended 30 June 2022

	Note	Group		Company	
		Year to 30 June 2022 £'000	Year to 30 June 2021 £'000	Year to 30 June 2022 £'000	Year to 30 June 2021 £'000
Cash flow from operating activities					
Operating profit (loss) – continuing operations		(1,491)	28	(2,882)	(1,507)
Adjustments for:					
Depreciation, amortisation and impairment		2,636	332	159	–
Finance cost (net)		264	376	(24)	(3)
Shares and warrants issue to settle expenses		–	486	–	485
Share based payments		520	301	520	301
Share of loss in associate		–	34	–	34
Foreign exchange movement		–	33	–	–
Gain on derecognition of contingent consideration		(1,032)	(1,444)	(1,032)	(1,444)
Operating cashflow before working capital movements		897	146	(3,259)	(2,134)
Increase in trade and other receivables		(9,857)	(2,406)	(706)	(127)
Increase/(decrease) in trade and other payables		165	2,761	(15)	504
(Increase) in inventories		(95)	(23)	–	–
Increase/(decrease) in deferred income		2,650	(264)	–	–
Net cash (outflow)/inflow from operating activities		(6,240)	214	(3,980)	(1,757)
Cash flow from investing activities					
Amounts received from (paid to) group undertakings		–	–	(8,448)	1,299
Acquisition of subsidiaries		(11,081)	(2,395)	–	(2,395)
Cash acquired on acquisition of subsidiaries		4,007	1,218	–	–
Cash from exercise of options in acquired business		–	521	–	–
Expenditure on intangible assets		(401)	(217)	(16)	(18)
Purchase of property, plant and equipment		(294)	(134)	(34)	–
Net cash outflow from investing activities		(7,769)	(1,007)	(8,498)	(1,114)
Cash flows from financing activities					
Interest (paid) received		(188)	(319)	–	–
Repayment of lease liabilities		(347)	(163)	–	–
Proceeds from the issue of share capital, net of issue costs		11,382	3,149	11,382	3,149
Proceeds from loans and borrowings		4,891	294	–	–
Repayment of borrowings		(3,287)	(314)	–	–
Net cash inflow from financing activities		12,451	2,647	11,382	3,149
Net (decrease)/increase in cash & cash equivalents		(1,558)	1,854	(1,096)	278
Effect of exchange rates on cash		28	–	–	–
Cash & cash equivalents at the start of the period		3,332	1,478	1,187	909
Cash & cash equivalents at the end of the year	18	1,802	3,332	91	1,187

The accompanying notes form part of the financial statements.

The non cash consideration issued to acquire subsidiaries during the year was £3.0 million (2021: £9.0 million) and is disclosed for each acquisition in note 30.

Refer note 33 for net debt reconciliation.

Consolidated statement of changes in equity

For the year ended 30 June 2022

	Share Capital £'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 2020	15,725	22,375	(35,246)	82	(115)	(4,582)	–	(1,761)
Other comprehensive loss	–	–	–	–	102	–	–	102
Change in fair value of other current assets	–	–	–	34	–	–	–	34
Profit for the year	–	–	–	–	–	28	–	28
Total comprehensive profit for the year attributable to equity holders of the parent	–	–	–	34	102	28	–	164
Issue of shares for cash	96	3,104	–	–	–	–	–	3,200
Issue of shares for acquisition of subsidiary	235	7,299	–	–	–	–	–	7,534
Issue of shares in settlement of fees	9	293	–	–	–	–	–	302
Share based payment	–	–	–	485	–	–	–	485
Exercise of warrants	6	159	–	–	–	–	–	165
Cost of share issue	–	(216)	–	–	–	–	–	(216)
Total transactions with owners	346	10,639	–	485	–	–	–	11,470
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 loss 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

The accompanying notes form part of the financial statements.

Company statement of changes in equity

For the year ended 30 June 2022

	Share Capital £'000	Share Premium £'000	Other Reserves £'000	Accumulated Losses £'000	Total Equity £'000
Balance at 30 June 2020	15,725	22,375	82	(30,561)	7,621
Loss for the year	–	–	–	(1,507)	(1,507)
Total comprehensive loss for the year attributable to equity holders of the parent	–	–	–	(1,507)	(1,507)
Issue of shares for cash	96	3,104	–	–	3,200
Issue of shares for acquisition of subsidiary	235	7,299	–	–	7,534
Issue of shares in settlement of fees	9	293	–	–	302
Share based payment	–	–	485	–	485
Exercise of warrants	6	159	–	–	165
Cost of share issue	–	(216)	–	–	(216)
Total transaction with owners	346	10,639	485	–	11,470
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

The accompanying notes form part of the financial statements.

Notes to the financial information

For the year ended 30 June 2022

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 is a digital energy services company, empowering organisations to achieve Net Zero by tackling energy waste and transitioning to clean energy, without the need for upfront investment. It is making Net Zero possible and profitable for all organisations in four ways:

- Transition to the lowest cost clean energy through our digital procurement platform and Energy Management services.
- Tackle energy waste with granular data and insight on energy use and dynamic Energy Management.
- Reduce energy use with the right energy efficiency solutions without upfront cost.
- Reach Net Zero with on-site renewable generation and electric vehicle (EV) charging.

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 accounting 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 and liabilities 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 2.23.

The financial statements present the results for the Group and Company for the year ended 30 June 2022. The comparative period is for the year ended 30 June 2021.

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.

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 2021.

No standards or Interpretations that came into effect for the first time for the financial year beginning 1 July 2021 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	Classification of liabilities as Current or Non-current	1 January 2023
IAS 8	Accounting estimates	1 January 2023
IAS 12	Deferred tax arising from a single transaction	1 January 2023

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.

2.4 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 ability to trade within the terms and covenants of its loan facility over the going concern period, being at least 12 months from the date of approval of the financial statements. The Directors have also taken into account the expected ability of the Group to raise additional equity or debt capital if required.

The directors note that the macroeconomic and geo-political environment have become less stable during the period. Increasing energy prices reinforce the importance of reducing consumption, and 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.

Notes to the financial information continued

For the year ended 30 June 2022

2 Accounting policies continued

2.4 Going concern continued

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. The Group has identified additional working capital funding requirements and has secured a new £2.5 million subordinated loan facility to improve working capital headroom. £2.0m of this is unconditional with the balance subject to shareholders approving additional capacity to issue warrants attaching to the subordinated loan facility.

Taking these matters into consideration, the Directors consider that the continued adoption of the going concern basis is appropriate having prepared cash flow forecasts for the relevant period. 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 values 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.

Those subsidiary entities of the company which are incorporated in England and Wales, listed in note 40, are exempt from the requirements of the Companies Act 2006 (CA 2006) related to the audit of individual accounts by virtue of section 479A CA 2006.

2.6 Associates

An associate is an undertaking in which the Group holds an equity investment and where the Group exercises significant influence over the operational and financial management of the undertaking, but not control. Associates are included in the financial statements and accounted for using the equity method. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

2.7 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 £ 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.

2.8 Segment 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 executive Board of Directors.

2 Accounting policies continued

2.9 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').

2.10 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.

2.11 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.

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.

d) 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.

2.12 Revenue recognition

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

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

Step 2: Identify 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.

The Group bases its estimates 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 overtime and at a point in time in the major product and service lines detailed below.

Notes to the financial information continued

For the year ended 30 June 2022

2 Accounting policies continued

2.12 Revenue recognition continued

Energy Services

Revenues from external customers come from the provision of Energy Services (Energy Efficiency solutions, 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 over the term of the contract. The Group may assign the majority or all of its right and obligations under a client agreement to a Finance Partner but that assignment does not change the recognition of revenue under the contract.

a) As a Service

The Group will undertake to install technology which either delivers energy savings, generates energy or provides a service proposition to customers over the term of a contract, typically between 5–10 years. The Group will design the solution to deliver the desired outcomes over the contract term, source and then install that technology. Once the installation has been accepted the customer will make payments monthly or quarterly over the contract term. The installation of the technology by the Company is typically considered to be the principal performance obligation.

Included within the agreement is an undertaking to ensure that the agreed outcomes are delivered and this may require the repair or replacement of faulty products. Where this performance obligation is not a material element of the client agreement 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.

b) Supply and installation of equipment

The Group will supply and install equipment for customers. Payment of the transaction price is typically due in instalments between the customer order and the installation being accepted or upon installation acceptance. Revenue is recognised as installations are completed.

c) Energy credits

From time to time the Group will receive 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.

Energy Management

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.

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
Fixed:	Clients who typically take fixed procurement contracts with a limited range of management services
Fixed Plus:	Clients who take a wider range of management services, including Bill Validation and/or Budget Management reporting
Flex:	Clients who typically procure using a flex model with regular retrading of the procurement contract and more advanced risk management services.
Managed:	Clients who take one or more of the services above that have integrated EEaaS services (i.e. LaaS, MY ZeERO etc).

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 Flex and the average recognised across the portfolio for FY22 was 23%.

2 Accounting policies continued

2.12 Revenue recognition continued

Energy Management continued

b) Energy Management services continued

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.

2.13 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.

2.14 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.

2.15 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 plant and equipment on a straight line basis over their estimated useful lives which are:

- Brand and trade names 10 years
- Customer relationships 11 years
- Software 5 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.

Notes to the financial information continued

For the year ended 30 June 2022

2 Accounting policies continued

2.16 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.

2.17 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.

2.18 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.

The Foreign exchange reserve includes gains and losses arising on retranslating the net assets of companies within the group with a functional currency different to the presentation currency of the Group.

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

2.19 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.

2 Accounting policies continued

2.19 Taxation continued

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.

2.20 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.

2.21 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 and (iii) 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 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.

2.22 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 judgement 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 30 June 2022 is £4,917,000 (2021: £1,890,000).

Notes to the financial information continued

For the year ended 30 June 2022

2 Accounting policies continued

2.22 Critical accounting judgements and key sources of estimation uncertainty continued

Contingent consideration

An element of consideration relating to certain business acquisitions made is contingent on the future EBITDA targets being achieved by the acquired businesses. On acquisition, estimates are made of the expected future EBITDA based on forecasts prepared by management. These estimates are 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 2022 is £868,000 (2021: £nil).

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.

3 Prior Year Adjustment

In the prior year the Group acquired Beond Group Limited on which the Group estimated the fair value of assets and liabilities acquired. During the current year, and within the measurement period of one year as permitted by IFRS 3, the Group finalised the provisional fair values acquired and as a result has increased the accrued revenue at the acquisition date by £1,190,000, with a corresponding reduction in Goodwill. This has been recorded in the prior year balance sheet and has no impact on the statement of comprehensive income, cashflows or reserves.

4 Segment 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 year ended 30 June 2022 the Group had three operating segments, being Energy Services, Energy Management and Group.

The Board considers that the Group operates in two business segments, Energy Management and Energy Services, which predominantly comprised of LED lighting solutions. With the strengthening of the management team following the acquisition of UtilityTeam in September 2021 and the appointment of Managing Directors to lead each of the operating segments the Board now primarily reviews Energy Services as a single segment whereas in the prior year the Board reviewed the operations in the UK and Ireland separately. Accordingly, the comparative figures have been restated to be consistent with the current management of the Group.

	Energy Management £'000	Energy Services £'000	Central £'000	Group £'000
2022				
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	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	(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

4 Segment reporting continued

2021	Energy Management £'000	Energy Services £'000	Central £'000	Group £'000
Revenue – UK	2,187	8,511	–	10,698
Revenue – Ireland	–	2,898	–	2,898
Revenue – Total	2,187	11,409	–	13,596
Cost of sales	(590)	(7,469)	–	(8,059)
Gross Profit	1,597	3,940	–	5,537
Operating expenses	(862)	(2,550)	(1,295)	(4,707)
Adjusted EBITDA	735	1,390	(1,295)	830
Depreciation and amortisation	(233)	(100)	–	(333)
Finance and similar charges	(14)	(416)	4	(426)
Profit (loss) before exceptional items and tax	488	874	(1,291)	71
Exceptional items	–	–	(248)	(248)
Loss before tax	488	874	(1,539)	(177)
Income tax	170	–	35	205
Profit (loss) after exceptional items and tax	658	874	(1,504)	28
Net Assets				
Assets:	9,197	8,681	3,141	21,019
Liabilities	(2,322)	(7,820)	(1,004)	(11,146)
Net assets (liabilities)	6,875	861	2,137	9,873

5 Revenue from contracts with customers

	2022 £'000	2021 £'000
Sales revenue	22,181	13,478
Energy credits	(85)	118
	22,096	13,596

In the current year, there were no customers accounting for greater than 10% of the Group's revenue.

In the prior year, more than 10% of the Group's revenue was accounted for by 1 UK customer (£1.6 million).

Timing of transfer of goods and services

	2022 £'000	2021 £'000
Point in time – commission recognised on contract signature	3,976	483
Commissions recognised over time	7,658	1,704
Point in time – installation at customer premises	10,462	11,409
	22,096	13,596

6 Cost of sales

	2022 £'000	2021 £'000
Cost of sales – labour	1,745	2,320
Cost of sales – commissions	1,148	564
Cost of sales – technology	4,377	2,479
Cost of sales – other	1,861	2,696
	9,131	8,059

Notes to the financial information continued

For the year ended 30 June 2022

7 Operating expenses

The breakdown of operating expenses by nature is as follows:

	2022 £'000	2021 £'000
Wages and salaries	7,039	3,625
Rent, utilities and office costs	1,165	253
Professional fees	503	464
Travel and motor vehicle expenses	442	175
Foreign exchange	(2)	(2)
Share of loss on investment in associate	—	34
Realised gain on sale of other assets	—	(304)
Adjustment of assets recorded at fair value through profit or loss	(41)	—
Exceptional items (see below)	2,289	248
Other expenditure	838	462
	12,233	4,955

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

	Note	2022 £'000	2021 £'000
Changes to the initial recognition of contingent consideration	30	(1,032)	(1,444)
Integration costs		891	—
Other strategic investments		347	—
Restructuring costs		290	113
Acquisition related costs		1,273	1,094
Share based payment expense	34	520	485
		2,289	248

8 Auditors remuneration

	2022 £'000	2021 £'000
Fees payable to the Company's auditor for the audit of parent company and consolidated financial statements	80	41
Tax compliance services	—	7
	80	48

9 Staff costs and directors' emoluments

The aggregate staff costs for the year were as follows:

	Group		Company	
	2022 £'000	2021 Restated £'000	2022 £'000	2021 £'000
Directors' remuneration	752	859	932	648
Other staff wages and salaries	4,736	2,358	—	81
Social security costs	1,031	408	169	89
Share based payment expense	520	485	—	—
	7,039	4,110	1,101	818

On average, excluding non-executive directors, the Group and Company employed 23 technical staff members (2021: 25), 43 sales staff members (2021: 26) and 62 administration and management staff members (2021: 21). The highest paid director is disclosed in the directors remuneration report.

10 Finance costs – Net

	2022 £'000	2021 £'000
Interest expense – borrowings	(266)	(361)
Finance charge on leased assets	(57)	(65)
Finance costs – net	(323)	(426)

11 Taxation

	2022 £'000	2021 £'000
The charge/(credit) for year is made up as follows:		
Current tax charge/(credit)		
Current year	159	(36)
Deferred tax credit (note 24)		
Origination and reversal of temporary differences	(895)	(169)
Total tax credit for the year	(736)	(205)
Reconciliation of effective tax rate		
Loss before income tax	(2,227)	(177)
Income tax applying the UK corporation tax rate of 19% (2021: 19%)	(423)	(34)
Effect of tax rate in foreign jurisdiction	85	28
Non – deductible expenses	11	95
Impact of tax rate change	(102)	44
Movement in unrecognised deferred tax asset	(322)	(303)
Other tax differences	15	(35)
Income tax credit for the year	(736)	(205)

The movements in Deferred Tax are described in Note 24.

Factors affecting the future tax charge

The standard rates of corporation tax in the UK and Ireland are 19% and 12.5% respectively.

A reduction in the UK corporation tax rate from 19% to 17% effective 1 April 2020 was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020. An increase in the UK corporate tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 14 May 2021. This will increase the Company's future current tax charge accordingly.

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

	2022	2021
(Loss) profit for the year from continuing operations – £'000	(1,431)	28
Weighted number of ordinary shares in issue	323,783,394	199,038,204
Basic earnings per share from continuing operations – pence	(0.44)	0.01
Weighted number of dilutive instruments in issue	–	11,504,993
Weighted number of ordinary shares and dilutive instruments in issue	323,783,394	210,543,197
Diluted earnings per share from continuing operations – pence	(0.44)	0.01

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 in the current year as they are anti-dilutive. See note 34 for further details.

Notes to the financial information continued

For the year ended 30 June 2022

13 Property, plant and equipment

Group	Property, plant & equipment £'000	Computer equipment £'000	Total £'000
Cost			
Opening balance	107	70	177
Additions on acquisition	153	10	163
Additions in the year	–	125	125
Transfer to intangibles	–	(176)	(176)
At 30 June 2021	260	29	289
Additions on acquisition (note 30)	306	–	306
Additions in the year	240	47	287
At 30 June 2022	806	76	882
Depreciation			
Opening balance	(39)	(8)	(47)
Additions on acquisition	(104)	(10)	(114)
Charge for the year	(48)	(22)	(70)
Transfer to intangibles	–	22	22
At 30 June 2021	(191)	(18)	(209)
Additions on acquisition (note 30)	(108)	–	(108)
Charge for the year	(95)	(12)	(107)
At 30 June 2022	(394)	(30)	(424)
Net book value 30 June 2021	69	11	80
Net book value 30 June 2022	412	46	458
Company			
		Property, plant & equipment £'000	Total £'000
Cost			
Opening balance		72	72
Additions in the year		34	34
At 30 June 2022		106	106
Depreciation			
Opening balance		(72)	(72)
Charge for the year		(6)	(6)
At 30 June 2022		(78)	(78)
Net book value 30 June 2021		–	–
Net book value 30 June 2022		28	28

14 Intangible assets

The intangible assets primarily relate to the Goodwill and separately identifiable intangible assets arising on the Group's acquisitions. See note 30 for further details of the acquisitions made in the current year. 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	211	—	—	—	211
Additions on acquisition (restated) (note 3)	8,402	411	824	555	10,192
Additions in the year	—	77	—	—	77
Transfer from PP&E	—	154	—	—	154
At 30 June 2021 (restated)	8,613	642	824	555	10,634
Additions on acquisition (note 30)	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
Amortisation					
Opening balance	—	—	—	—	—
Additions on acquisition	—	—	—	—	—
Charge for the year	—	(60)	(41)	(30)	(131)
At 30 June 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)
Net book value 30 June 2021 (restated)	8,613	582	783	525	10,503
Net book value 30 June 2022	23,816	1,039	3,878	—	28,733

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 UtilityTeam brand names were fully impaired as at the year end.

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. Within those cash flow projections revenues increase at a compound annual growth rate of 20% (2021: 20%). The annual discount rate applied to the cash flows is 13% (2021: 13%) which is the same rate used by our valuation adviser to value the separably identifiable intangible assets in the 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.

Notes to the financial information continued

For the year ended 30 June 2022

15 Investment in associate

During the prior year, the Group entered into various agreements to acquire, in April 2021, an initial 33.3% interest which was increased to 37.5% interest in eEnergy Insights Ltd ("EIL") in June 2021. EIL was a newly formed specialist smart metering measurement equipment and analytics business which acquired certain trade assets out of the administration process of Measure My Energy Limited ("MME") and certain associated intellectual property assets in April 2021.

As part of the agreement entered into in June 2021 the Group received nil cost warrants to raise its interest to 51% of the equity, subject to certain operational targets being achieved. In addition, agreement was reached on a mechanism to acquire the remaining 49% of the equity under a pre-agreed valuation method after three years.

The Group exercised its warrants in October 2021 taking its ownership interest to 51%. It subsequently acquired the shareholdings of certain minority investors in May 2022, taking its ownership interest to 85.5%.

In the prior year, the Group held EIL as an equity accounted investment in associate. Following the acquisition in October 2021 the Group was considered to have assumed control and EIL has been subsequently accounted for as a consolidated subsidiary, with the acquisition treated as a step acquisition.

	2022 £'000	2021 £'000
Interest in associate at beginning of the year	155	–
Investment in associate during the year	–	189
Derecognition following step acquisition	(155)	–
Share of loss on investment in associate	–	(34)
Interest in associate at end of the year	–	155

In the prior year EIL's loss from April 2021 until June 2021 was £91,000 of which the Group recognised its share of loss of £34,000. No share of the result of EIL was recognised in the current year until the date of the step acquisition on the basis the company is in a net liabilities position.

16 Investment in subsidiaries

Company only	2022 £'000	2021 £'000
Opening balance	17,947	6,574
Additions during the year:		
– consideration paid RSL	–	2,238
– consideration paid Beond (note 30)	–	9,135
– Transfer to intermediate holding company	(11,373)	–
Closing balance	6,574	17,947

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

17 Inventory

	Group		Company	
	2022 £'000	2021 Restated £'000	2022 £'000	2021 £'000
The balance at year end comprised:				
Work in progress	403	153	—	—
Finished goods	406	218	—	—
	809	371	—	—

18 Trade and other receivables

	Group		Company	
	2022 £'000	2021 Restated £'000	2022 £'000	2021 £'000
Trade receivables	3,827	2,090	—	—
Prepayments	726	543	574	111
Accrued revenue	9,892	2,056	—	—
Other receivables	1,577	824	289	42
	16,022	5,513	863	153

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. 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. The increase in accrued income is primarily from £2,143k of acquisitions in the period, see note 30.

19 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		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Cash at bank and in hand (excluding restricted cash)	1,380	3,332	91	1,187
Restricted cash	422	—	—	—
Cash and cash equivalents	1,802	3,332	91	1,187

Restricted cash relates to financing arrangements and customer collections.

20 Trade and other payables

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Current liabilities				
Trade payables	4,196	4,064	609	564
Accrued expenses	2,610	1,143	313	116
Deferred income	2,809	159	—	—
Social security and other taxes	2,790	1,959	324	323
Contingent consideration	868	—	868	—
Other payables	3,529	494	—	—
	16,802	7,819	2,114	1,003

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. Refer Note 31.

Deferred income represents revenues collected but not yet earned as at the year end. The increase in deferred income is primarily from £2,743k of acquisitions in the period, see note 30.

Other payables primarily relates to provisions for under consumption or cancelled contracts.

Notes to the financial information continued

For the year ended 30 June 2022

21 Leases

The Group had the following lease assets and liabilities at 30 June:

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Right of use assets				
Properties	774	579	279	—
Motor vehicles	3	31	—	—
	777	610	279	—
Lease liabilities				
Current	542	264	265	—
Non-current	350	434	—	—
	892	698	265	—

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Maturity on the lease liabilities are as follows:				
Current	542	264	265	—
Due between 1-5 years	235	194	—	—
Due beyond 5 years	601	240	—	—
	1,378	698	265	—

Right of use assets

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Properties				
Opening balance	579	477	—	—
Additions	487	215	431	—
Additions on acquisition	135	—	—	—
Depreciation	(427)	(102)	(152)	—
Impact of foreign exchange	—	(11)	—	—
Closing balance	774	579	279	—
Motor vehicles				
Opening balance	31	61	—	—
Additions	—	—	—	—
Depreciation	(28)	(27)	—	—
Impact of foreign exchange	—	(3)	—	—
Closing balance	3	31	—	—

22 Borrowings

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Current				
Borrowings	11	601	–	–
	11	601	–	–
Non-current				
Borrowings	5,011	1,245	–	–
	5,011	1,245	–	–

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 new facility is secured by way of debentures granted to the lender by all of the Group's trading subsidiaries. The facility includes covenants relating to debt service cover and gearing.

Maturity on the borrowings are as follows:

	2022 £'000	2021 £'000
Current	11	589
Due between 1-2 years	11	913
Due between 2-5 years	5,000	300
Due beyond 5 years	–	44
	5,022	1,846

23 Other non-current liabilities

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Income and other taxes	–	468	–	–
Other non-current liabilities	2,252	–	–	–
	2,252	468	–	–

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.

Notes to the financial information continued

For the year ended 30 June 2022

24 Deferred tax

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Total	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Intangible assets	–	–	1,060	415	1,060	415
Tangible assets	–	–	258	–	258	–
Losses	(925)	(415)	–	–	(925)	(415)
Other	(146)	–	–	–	(146)	–
Total (assets) liabilities	(1,071)	(415)	1,318	415	247	–

Deferred tax assets and liabilities have been calculated using a rate of 25% (2021: 25%).

Movement in temporary difference during the year

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

	2022 £'000	2021 £'000
Balance at 1 July	–	–
Acquired on acquisition – liability	1,142	169
Credit for the year	(895)	(169)
Balance at 30 June	247	–

Unrecognised deferred tax assets

At 30 June 2022, the Group had tax losses in the UK and Ireland totalling £11.7 million and £3.2 million respectively (2021: £8.5 million and £2.3 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.

25 Provisions

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Put option	860	–	–	–
	860	–	–	–

During the year, the Group entered into a put option agreement in respect of the step acquisition of EIL 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.

26 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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Energy credits	21	140	—	—
	21	140	—	—

The energy credits are measured under level 2 of the fair value hierarchy as described in note 31.

27 Share capital and share premium

Group and Company	Ordinary Shares ¹ Number	Share Capital £'000	Share Premium £'000	Total £'000
As at 30 June 2020 (ordinary shares of £0.003 each)	130,926,167	392	22,375	22,767
Issue of shares for acquisition of RSL	13,333,333	40	744	784
Issue of shares at placing price of £0.10	32,000,000	96	3,104	3,200
Issue of initial shares for acquisition of Beond	63,771,130	191	6,441	6,632
Issue of shares for acquisition of minority interest in Beond	1,177,326	4	114	118
Issue of shares in lieu of settlement of fees	2,841,801	8	293	301
Issue of shares upon exercise of warrants	2,208,333	7	159	166
Cost of share issue			(216)	(216)
As at 30 June 2021 (ordinary shares of £0.003 each)	246,258,090	738	33,014	33,752
Issue of shares at placing price of £0.15	80,000,000	240	11,760	12,000
Issue of shares for the acquisition of UtilityTeam	18,031,249	55	2,903	2,958
Issue of shares in exchange for loan notes from eEnergy Insights Ltd	2,490,620	7	301	308
Cost of share issue	—	—	(618)	(618)
As at 30 June 2022 (ordinary shares of £0.003 each)	346,779,959	1,040	47,360	48,400
Deferred share capital		15,333		
Total share capital		16,373		

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.

There has been no movement in the number of deferred shares during the current and prior years.

Details of share options and warrants issued during the year and outstanding at 30 June 2022 are set out in note 34.

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.

Notes to the financial information continued

For the year ended 30 June 2022

28 Other reserves

Group	2022 £'000	2021 £'000
Share based payment reserve	1,087	567
Revaluation reserve – other current assets	34	34
Other equity reserve	(860)	–
	261	601
<hr/>		
Company	2022 £'000	2021 £'000
Share based payment reserve	1,087	567
	1,087	567

Share based payment reserve	Cumulative charge recognised under IFRS 2 in respect of share-based payment awards.
Reverse acquisition reserve	Substantially represents the pre-acquisition 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 an other equity reserve.

29 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.

The non-controlling interest at FY22 was negative equity of £77,000 (2021: £nil), being negative equity of £16,000 on acquisitions in October 2021 and May 2022 with a further loss recognised for the post-acquisition period of £60,000.

30 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 £2.0 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.

In April 2022, a reduction in consideration of £500,000 was agreed with the vendors to reflect the difference between the 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 FY22 and is reflected in the table below. The final working capital adjustment was finalised subsequent to the year end and a further £280,000 reduction in will be recorded in FY23.

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 will be paid in cash; and
- any balance, up to £3.6 million, will 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 £1,900,000 referred below was reduced by £1,032,000 to a value of £868,000 – refer to Note 20.

30 Business combinations continued

UtilityTeam TopCo Limited continued

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 are 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
Consideration	
Initial consideration (shares issued recorded at the market value)	2,958
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 year which recognised specific identifiable intangible assets which are deductible for income tax purposes. These separately identified intangible assets were:

- Brand names – £1,039,000; and
- Customer relationships – £3,487,000

eEnergy Insights Limited

In April 2021, the Group acquired 33.3% of eEnergy Insights Limited ("EIL") which was increased to 37.5% in June 2021. The Group exercised warrants in October 2021 taking ownership to 51% with a further acquisition to 85.5% in May 2022. See note 15 for further information.

The fair value of the assets acquired and liabilities assumed of EIL at the date of acquisition are as follows:

	£'000
Property, plant and equipment	11
Computer software	215
Cash at bank	13
Trade and other receivables	60
Inventory	317
Borrowings	(822)
Trade and other payables	(44)
Total gross identifiable net assets	(250)
Non-controlling interests	16
Total identifiable net assets acquired	(234)
Goodwill	234
Consideration	
Cash (£28)	—
Total consideration	—

Notes to the financial information continued

For the year ended 30 June 2022

31 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:

	2022 £'000	2021 £'000
Bank balances	1,802	3,332

Given the extremely 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:

	2022 £'000	2021 £'000
Borrowings	5,022	1,846

The borrowings attract interest rates between 2.5% and 4.9% (2021: between 3.4% and 13.5%). Assuming the amount at period end was held for a year, a 10% movement in this rate would have a £502,000: (2021: £18,000) effect on the amount owing.

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.

31 Financial instruments and risk management continued

Credit risk continued

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

Group	2022 Carrying Value £'000	2022 Maximum Exposure £'000	2021 Carrying Value £'000	2021 Maximum Exposure £'000
Cash and cash equivalents	1,802	1,802	3,332	3,332
Trade receivables	4,022	4,022	2,090	2,090
Energy credits	21	21	140	140
	5,845	5,845	5,562	5,562

Company	2022 Carrying Value £'000	2022 Maximum Exposure £'000	2021 Carrying Value £'000	2021 Maximum Exposure £'000
Cash and cash equivalents	91	91	1,187	1,187
Trade receivables	—	—	—	—
	91	91	1,187	1,187

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	2022 £'000	2021 £'000
Cash and cash equivalents	317	58
Trade receivables	3,091	674
Trade payables	(255)	(252)
	3,153	480

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:

	2022 £'000	2021 £'000
Impact of 10% rate change		
Euro	350	57
	350	57

Notes to the financial information continued

For the year ended 30 June 2022

31 Financial instruments and risk management continued

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:

	2022 £'000	2021 £'000
Cash and cash equivalents	1,802	3,332

32 Financial assets and financial 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
2022 - Group Financial assets (liabilities)				
Fair value assets through profit or loss	21	—	—	21
Trade and other receivables	—	5,599	—	5,599
Cash and cash equivalents	—	1,802	—	1,802
Trade and other payables	—	—	(16,264)	(16,264)
Lease liabilities (current and non-current)	—	—	(892)	(892)
Borrowings (current and non-current)	—	—	(5,022)	(5,022)
	21	7,401	(22,178)	(14,756)

	Financial assets at amortised cost £'000	Financial liabilities at amortised cost £'000	Total £'000
2022 - Company Financial assets/liabilities			
Trade and other receivables	863	—	863
Cash and cash equivalents	91	—	91
Trade and other payables	—	(921)	(921)
	954	(921)	33

	Financial assets at fair value through profit or loss £'000	Financial assets at amortised cost £'000	Financial liabilities at amortised cost £'000	Total £'000
2021 - Group Financial assets (liabilities)				
Fair value assets through profit or loss	140	—	—	140
Trade and other receivables	—	2,867	—	2,867
Cash and cash equivalents	—	3,332	—	3,332
Trade and other payables	—	—	(5,859)	(5,859)
Lease liabilities (current and non-current)	—	—	(698)	(698)
Borrowings (current and non-current)	—	—	(1,846)	(1,846)
	140	6,199	(8,403)	(2,064)

	Financial assets at amortised cost £'000	Financial liabilities at amortised cost £'000	Total £'000
2021 - Company Financial assets (liabilities)			
Trade and other receivables	153	—	153
Cash and cash equivalents	1,187	—	1,187
Trade and other payables	—	(680)	(680)
	1,340	(680)	660

33 Reconciliation of movement in net debt

	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)

	At 1 July 2020 £'000	New borrowing £'000	Interest added to debt £'000	Debt repaid £'000	Other cashflows £'000	On Acquisition £'000	At 30 June 2021 £'000
Cash at bank	1,478	286	—	(558)	915	1,211	3,332
Borrowings	(1,424)	(286)	(97)	470	—	(509)	(1,846)
Net Cash (debt) excluding lease liabilities	54	—	(97)	(88)	915	702	1,486
Lease liabilities	(582)	(160)	(44)	88	—	—	(698)
Net Cash (debt)	(528)	(160)	(141)	—	915	702	788

Notes to the financial information continued

For the year ended 30 June 2022

34 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 made a series of awards under 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 30 June 2022 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.

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

34 Share based payments and share options continued

Growth shares continued

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 £214,000 (2021: £419,000) 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

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 year and the Remuneration Committee agreed that his EMI Share Options will either vest or lapse 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 £91,000 (2021: £66,000) 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 14,325,000 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, who is now a director of the Company. 2/3rd of his award has an exercise price condition at 15p at the vesting date and the remainder has no exercise price condition.

(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%

Notes to the financial information continued

For the year ended 30 June 2022

34 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	25,570,849	1,452,596
	26,041,849	1,923,596

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

	2022		2021	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	17.887p	1,923,596	27.955p	4,308,262
Granted during the year (acquisitions)	16.2p	2,000,000	—	—
Granted during the year	2.5p	22,118,253	—	—
Lapsed during the year (Warrants)	—	—	(45p)	(133,333)
Lapsed during the year (Options)	—	—	(1,476p)	(43,000)
Exercised during the year	—	—	(7.5p)	(2,208,333)
Outstanding at the end of the year	4.969p	26,041,849	17.887p	1,923,596
Exercisable at the end of the year	20.961p	2,046,929	17.887p	1,923,596

Share options and warrants outstanding at 30 June 2022, had a weighted average exercise price of 20.961 pence (2021: 17.887 pence) and a weighted average contractual life of 3.01 years (2021: 3.04 years). To date no share options have been exercised. There are no market based vesting conditions attaching to any share options outstanding at 30 June 2022.

35 Capital commitments

There were no capital commitments at 30 June 2022 or 30 June 2021.

36 Contingent liabilities

There were no contingent liabilities at 30 June 2022 or 30 June 2021.

37 Related party transactions

The remuneration of the Directors and their interest in the share capital is disclosed in the Remuneration Committee report in the Annual Report

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

Certain of the Directors have committed to invest a total of £0.5m in the new subordinated loan facility, subject only to shareholders approving additional capacity to issue the warrants attaching to the subordinated loan facility.

38 Events subsequent to period end

Post year end the Group commenced a process to raise capital to support the ongoing working capital requirements of the Group. Following this process the Group secured a new £2.5 million subordinated loan facility to improve working capital headroom. £2.0m of this is unconditional with the balance subject to shareholders approving additional capacity to issue warrants attaching to the subordinated loan facility.

39 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.

40 List of subsidiary undertakings

As at 30 June 2022, the Group owned interests in the following subsidiary undertakings, which are included in the consolidated financial statements:

Name	Holding 2022	Holding 2021	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%	—	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
eLight EAAS Projects Limited	100%	100%	Trading Company	Ireland	1-3 the Green, Malahide, Co. Dublin K36 N153
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%	Trading Company	England & Wales	20 St Thomas Street, London, SE1 9RS
Smartech Energy Projects Limited	100%	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%	Dormant	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	85.5%	37.5%	Trading Company	England & Wales	20 St Thomas Street, London, SE1 9RS
eEnergy Management Limited	100%	—	Trading Company	England & Wales	20 St Thomas Street, London, SE1 9RS
eEnergy Management Topco Limited	100%	—	Holding Company	England & Wales	20 St Thomas Street, London, SE1 9RS
eEnergy Management Holdings Limited	100%	—	Holding Company	England & Wales	20 St Thomas Street, London, SE1 9RS
eEnergy Management USA Limited	100%	—	Non-trading Company	United States	20 St Thomas Street, London, SE1 9RS
UtilityTeam US Inc	100%	—	Non-trading Company	United States	919 North Market Street, Suit 950 Wilmington, DE 19801