



2019/20 - End of year accounts

Shareholder's notice

Energetik's accounts for the period 1st April 2019 to 31st March 2020 were prepared by the Council's finance team via it's SLA with the company, and subsequently independently audited by Moore, the Company's external auditors.

The company recorded a loss in the period of £569k, which is an improvement of 43% against the budgeted loss of £1.03m for the period. This is mainly due to delayed commencement of construction of the company's Meridian Water energy centre and heat network to match the build out of the main housing development scheme, and the commensurate delay to capital expenditure and associated loan and interest repayments.

The loss of £569k is mainly due to interest payments made to the Council of £505k as well as a further £51k paid to the council in service charges under its legal, financial and procurement Service Level Agreements.

A credit on account to the sum of £323k was received within the period from Housing Gateway Limited as part of the group tax relief exercise, meaning the cost to Council for Energetik was ca. £213k.

Operating income was 31% higher than budgeted forecast due to additional income generating activities including the provision of temporary plant hire.

The directors of the board were comfortable with the audited financial position at the end of the period noting the losses are in line with the budget and business plan as well as being appropriate for large heat infrastructure projects of this nature, where capital expenditure is required ahead of significant connect receipts. Accordingly the board approved the financial accounts for submission to Companies House.

Jayne Clare (Managing Director)

For and on behalf of Energetik