



# 2020/21 - End of year accounts

## Shareholder's notice

Energetik's accounts for the period 1st April 2020 to 31<sup>st</sup> March 2021 were prepared by the Council's finance team via its SLA with the company, and subsequently independently audited by Moore, the Company's external auditors. Moore has signed the accounts with a clean unqualified audit opinion.

The company recorded a loss before tax in the period of £450k (£372k loss after tax), which was an improvement of 29% against the budgeted loss of £634k for the period. This improvement came from better than budgeted heat and availability charge income from customers, combined with more connection fees than anticipated. This enabled Energetik to make a profit before interest charges of £127k compared to a budgeted loss of £87k.

The pre-tax loss arises through interest payments made to the Council of £576k.

Energetik took part in the group tax relief exercise surrendering its tax losses to Housing Gateway Limited. These losses were worth £209k, making Energetik's net cost to the Council £241k.

The directors of the board were comfortable with the audited financial position at the end of the period noting the losses were lower than expected in 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