Version 1

D-ENERGi™

One Stop Energy Solution Provider

Consolidated Segmental Statement For

Financial Year 2023-2024

Required under Standard Condition and Condition 19A of Electricity and Gas Supply.

Contents

Independent Auditor's report
To the members of UK Healthcare Corporation Limited

Opinion

We have audited the financial statements of UK Healthcare Corporation Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).
In our opinion the financial statements:

· Give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2024 and of the group's profit for the year then ended;

· Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

· 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, 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
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 groups and 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 director with respect to going concern are described in the relevant sections of this report.

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 director is responsible for the other information contained within the annual report. Our opinion on the 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 our audit:

· The information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

· The strategic report and the director's 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 director's 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 director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the director is responsible for assessing 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 director either intends to liquidate the parent company or to cease operations, or has 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

· The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

· We identified the laws and regulations applicable to the company through discussions with directors and other management;

· We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including legislation such as the Companies Act 2006, taxation legislation, data protection, employment, and health and safety legislation;

· We assessed the extent of compliance with the laws and regulations through making enquiries of management and reviewing legal and professional fee invoices and inspecting legal correspondence; and alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

· Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

· Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

· Performed analytical procedures to identify any unusual or unexpected relationships;

· Tested journal entries posted during the period and at the period end to identify unusual transactions and agreed to underlying supporting documentation;

· Investigated the rationale behind significant or unusual transactions; and

· Performed walkthrough tests on major transaction cycles; and

· Performed detailed testing relating to the significant accounting estimate of the dilapidation provision.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

· Agreeing financial statement disclosures to underlying supporting documentation.

· Enquiring of management as to actual and potential litigation and claims;

· Reviewing correspondence with regulators; and

· Reviewing legal and professional fees incurred during the period to identify any potential indications of non-compliance with laws and regulations.

· There are inherent limitations in our audit procedures described above. The more removed those laws and regulations are from financial transactions, the less likely it is that we would become aware of noncompliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

https://www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

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.

Redmond

Susan Redmond FCA (Senior Statutory Auditor)

For and on behalf of DJH Audit Limited
St George's House
56 Peter Street
Manchester
M2 3NQ

28/10/2024

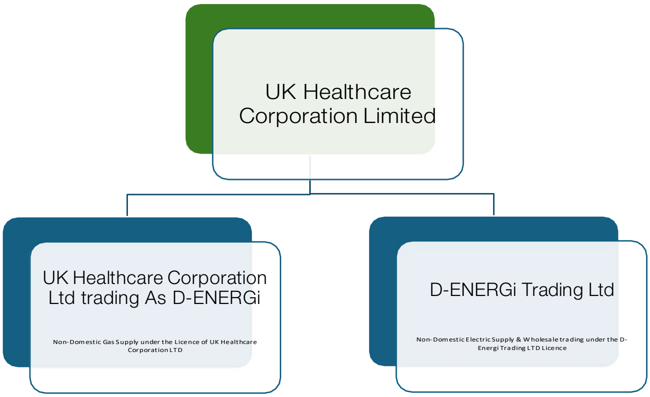
Introduction

UK Healthcare Corporation Limited Trading as D-ENERGi has supplier licenses for both gas and electricity where we supply electricity and gas to the Non-Domestic market.

As per the Ofgem guidelines Standard Licence Condition (SLC) 19A of the Gas and Electricity Supply Licences, 'Financial information reporting'. There is currently one requirement under these conditions, which is the Consolidated Segmental Statement (CSS) and this will be referred to as the CSS licence requirement for the purposes of the Guidelines.

The CSS and supporting information has been prepared by the directors of UK Healthcare Corporation Limited T/A D-ENERGi in accordance with the Conditions stated above and the associated guidelines issued by Ofgem. The CSS has been derived from, and reconciled to, the Annual Report and Accounts for the financial year ending 31st March 2024, which have been prepared in accordance with UK-adopted International AccountingStandards ("IAS").

Company Structure



Hedging Policy

D-Energi constantly hedges the same way for all its contracted customers leaving only Deemed out of contract agreements to settle at the market rate. We forecast expected usage for the portfolio each day, check for any discrepancies and then hedge all usage accordingly accounting for attrition and small inaccuracies in forecasting. The volume risk is held with D-Energi which is why we hedge based on expected usage outcome.

Consolidated Segmental Statement

	Unit	Electricity supply		Gas supply		Total Business
		Domestic	Non-Domestic	Domestic	Non-Domestic	
Total revenue	£'M	**0**	**27.3**	**0**	**10.1**	**37.4**
Revenue from sale of electricity and gas	£'M	0	27.3	0	10.1	37.4
Other revenues	£'M	0	0	0	0	0
Total operating costs	£'M	**0**	**24**	**0**	**10.3**	**34.3**
Direct fuel costs	£'M	0	19.3	0	9.7	29
Direct costs						
Transportation costs	£'M	0	0	0	0	0
Environmental and social obligations costs	£'M	0	2.2	0	0	2.2
Other direct costs	£'M	0	0.8	0	0	0.8
Indirect costs	£'M	0	1.7	0	0.6	2.3
EBITDA	£'M	**0**	**3.3**	**0**	**-0.2**	**3.1**
Depreciation and amortisation	£'M	0	0	0	0	0
EBIT	£'M	**0**	**3.3**	**0**	**-0.2**	**3.1**
Volume	TWh, m therms	0	0.1	0	4.8	
WACO E/G	£/MWh, p/th	0	209	0	198	
Meter Points	000s	0	1.8	0	1	2.8

Adjustment for Reconciling Items

	Unit	Electricity supply		Gas supply		Total Business
		Domestic	Non-Domestic	Domestic	Non Domestic	
Revenue per CSS	£'M	0	27.3	0	10.1	37.4
Revenue as per Audited Accounts	£'M	0	27.3	0	10.1	37.4
EBIT as per CSS	£'M	0	3.5	0	-0.3	3.3
EBIT as per Audited Accounts	£'M	0	3.5	0	-0.3	3.3

Glossary of Terms

EBITDA	EBITDA represents earnings before interest, tax, depreciation and amortisation. It is calculated by subtracting total operating costs from total revenue
DA	Depreciation and amortisation
EBIT	EBIT represents earnings before interest and tax and is calculated by subtracting depreciation and amortisation from EBITDA
Volume	Volume of the electricity and Gas sold from the purchase made on wholesale market to retail market as well as managed services from other supplier accounts.
WACOE/G	WACOE/G represents the weighted average cost of procuring electricity and gas, shown as £/MWh (electricity) and p/therm (gas), and comprises the costs of wholesale gas and electricity, the cost of renewable electricity purchased under Renewable Power Purchase Agreements (PPAs), transmission and distribution losses, Cost from other suppliers' management services. Unidentified Gas ("UIG") costs and the costs associated with balancing and shaping. This is calculated by dividing direct fuel costs by volume.
Customer numbers	Customer numbers are based on the average monthly number of Meter Point Administration Numbers for electricity customers and Meter Point Reference Numbers for gas customers during the year to 31stMarch, 2024.
Other Revenue	Rental income from business premisses and Interest received on deposits.

Basis of Preparation

Interpretation of the Financial Information

CSS presents the information completely based on audited accounts from 01st April 2023 to 31st March 2024.

Total Revenue

Revenue from sales of electricity and gas.

The above stated revenue includes Sales from energy purchased through wholesale and management services from other suppliers for both electric and gas accounts.
However the cost of sales have been separately maintained in the books. CSS shows the entire revenue earned through both retail sales and Management sales.

Other Revenue

The other revenue includes the revenue made through renting office premises and interest received from deposits like security deposit and bank deposits and the other revenue has been adjusted on electricity and Gas through considering factors like sales turnover and number of customers.

Total Operating costs

Direct Fuel Costs

The direct fuel costs include cost incurred through wholesale electricity and gas purchased for the complete financial year. As we have management services of other supplier accounts it also includes the complete charges from other supplier charged to UK Healthcare corporation on both electricity and gas accounts for the complete financial year.

Transportation costs

These costs are also a part of cost of sales for the financial year 2023-2024 where we include the Distributed Use of System (DUoS) charges, the cost of day-to-day operation including the cost of balancing the electricity transmission system. (BSUoS), Transmission Network Use of System (TNUoS) charges recover the cost of installing and maintaining the transmission network in England, Wales, Scotland.

Environmental and social obligation costs

These costs include Feed in Tariff(FIT), Renewable obligation(RO), Capacity market charges, Climate Change Levy(CCL), Renewable Energy Guarantee of Origin(REGO) for the financial year 2023-2024.

Other Direct Costs

Other direct costs comprise operational and maintenance costs, include brokers' costs and the non-capital elements of intermediaries' sales commissions when the costs have given rise directly to revenue i.e. producing a sale.

Indirect Costs.

Indirect costs are the costs of billing, metering (including smart meter roll out costs), customer service, bad debt and debt collection, support services, sales and marketing, staff costs, the other costs like HR, IT, finance and legal. They are allocated using a costing model based on customernumbers, transactional volumes and employee activity.

Depreciation and amortisation

'Depreciation and amortisation costs' are calculated on a straight-line basis over the estimated operational lives of the capitalised assets and items that have been capitalised include smart meter development costs including Data Communications Company (DCC) development costs and the incremental costs of obtaining certain customer contracts are allocated to the segments based on customer numbers.