United Gas & Power
United Gas & Power 16 Otley Road Guiseley Leeds LS20 8AH
Telephone: 0844 318 0044 Fax: 0844 507 0043 Email: info@ugp.co.uk

UNITED GAS & POWER LTD (company number 08358816)

Consolidated Segmental Statement

For year ended 30 April 2024

Basis of Preparation

This CSS and associated information is presented in accordance with the Standard Condition 19A of the Electricity and Gas Supply Licences.

The information has been prepared by the directors of United Gas & Power Ltd and derived from the reconciled Annual Report and Accounts for year ending 30 April 20024 which have been prepared in accordance with Financial Reporting Standard 102 and the Companies Act 2006. The presentation currency is £ sterling.

Going Concern

The directors have undertaken a review of the prospects of the group taking into account its current position and principal risks. The review considered both the group's prospects and its ability to continue in operation and meet its liabilities and other financial commitments as they fall due. The review also considered the potential impacts of volatility on market prices in which the group operates. Based on this review which identified various mitigation strategies and included stress tested financial forecast and projections, the directors have reasonable expectation that the group have adequate resources and support to continue in operation.

Summary of accounting policies

Revenue recognition – Given the nature of the energy industry there is a degree of estimation involved in the recognition of revenue. Energy sales are based on regular meter readings. Revenue recognised for the supply of electricity and gas represents the value billed to customers from the groups billing system.

Customer debt provisioning – The group's exposure to credit risk is influenced by the individual characteristics of each customer. Calculation of the bad debt provision requires judgement to be made regarding the recovery of debts and occurs where a loss is probable where no payment arises from billing.

Turnover – is measured at the fair value of the consideration received or receivable, net of discounts and value added tax.

Pension contributions – The group operates a defined contribution pension scheme
Depreciation - is calculated to write down the cost less estimated value of all tangible fixed assets over their expected useful life.

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Hedging Policy

Exposure to energy price risk is minimised by hedging sales within the hedging policy to ensure exposure to market movement is strategically managed and do not have any significant impact on the profitability of the business and its going concern.

The company United Gas & Power Ltd bears the volume risk.

Environment

The Woodland Trust estimates that the UK needs to plant 1.5 billion trees by 2050 to reach net zero emissions and at UGP, we believe that UK Plc should also play its part in the tree-planting movement.

We have teamed up with the Yorkshire Dales Millennium Trust (YDMT) to partner with them on their "together for trees" campaign. United Gas & Power now funds the planting of a new tree in the Yorkshire Dales for every new customer to help offset the environmental impact of each new energy contract.

In the 3 years since the partnership with the YDMT began, we have funded the planting of 4521 trees, offsetting an estimated 754 tons of carbon over the next 50 years.

In Q1 2024 the company has joined in partnership with a local charity "One in a Million" which engages with children and young people through Sports, the Arts and Enterprise. UGP donated £10 to the charity for every new customer, resulting in total donations of over £15,000. In addition, we have supported numerous initiatives for the charity including football tournaments, coffee morning fund raisers and charity auctions. A team of UGP runners also took on the 2024 Manchester half marathon raising over £5,000, match funded by the business. In total, UGP has contributed circa £25,000 to support this worthwhile local community charity.

Volume and Meter Points

The volume refers to Supplier volumes at the meter point level (i.e. net of losses)

Number of Meter points - refers to the average number of electricity and gas meters for Non-Domestic only (MPANs and MPRNs) during the reporting year.

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UNITED GAS & POWER LTD – Financial overview year ending 30 April 2024

		Unit	Electricity supply		Gas supply		Aggregate supply business
			Domestic	Non Domestic	Domestic	Non Domestic	
1	**Total revenue**	£'M	**0**	**108.2**	**0**	**10.7**	**118.9**
1.1	Revenue from sale of electricity and gas	£'M	0	108.2	0	10.7	118.9
1.2	Other revenues	£'M	0	0	0	0	0
2	**Total operating costs**	£'M	**0**	**82**	**0**	**8.1**	**90.1**
2.1	Direct fuel costs	£'M	0	36.5	0	3.8	40.3
	Direct costs:	£'M					
2.2	Transportation costs	£'M	0	19.9	0	1.1	21.0
2.3	Environmental and social obligations costs	£'M	0	8.2	0	0	8.2
2.4	Other direct costs	£'M	0	8.1	0	0.8	8.9
2.5	Indirect costs	£'M	0	9.3	0	2.4	11.7
3	EBITDA	£'M	**0**	**26.2**	**0**	**2.6**	**28.8**
3.1	Depreciation and amortisation	£'M	0	0.2	0	0.1	0.3
3.2	EBIT	£'M	**0**	**26**	**0**	**2.5**	**28.5**
4	Volume	TWh, m therms	0	0.3	0	3.2	
5	WACO E/G	£/MWh, p/th	0	121.7	0	119.6	
6	Meter Points	000s	0	6.6	0	2.1	8.7

Notes to financials

Direct Fuel costs – The wholesale cost of gas and electricity that we had to procure to manage our portfolio of customers. This includes cost incurred when we undertake hedging or shaping actions to maintain a balanced portfolio

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Transportation costs - Comprises of gas transportation charges, electricity transmission, balancing and distribution network charges

Obligation costs – This is the Renewal Obligation and only applicable to the electricity supply segment
Other direct costs - This is all other direct costs such as Feed-in-Tariff, Capacity Market and Contracts for Difference

Indirect costs – All other costs associated with running the business such as broker commissions, staff salaries, rent, computer and subscriptions

EBITDA – earnings before interest, tax, depreciation and amortisation

EBIT - earnings before interest and tax

WACO – The weighted average cost of procuring electricity and gas for the year ending 30 April 2024