INSPIRED
ENERGY PLC

**Inspired Energy PLC**
Annual Report & Accounts 2014

# INTELLIGENT INVESTMENT, INTELLIGENT ENERGY

# **ENERGY CONSULTANCY** FOR THE COMMERCIAL WORLD

Inspired Energy PLC bring momentum to the commercial world, developing and delivering a market-leading range of essential energy advisory services. An independent approach, coupled with intelligent thinking, has enabled us to meet and exceed the expectations of every client, shareholder and employee to date. We continue to innovate and invest our time, passion and specialised industry knowledge to ensure that we remain at the forefront of energy purchasing.

For more information visit:
**www.inspiredplc.co.uk**

## What we do

Inspired Energy PLC offers a winning formula that blends effective buying strategies, market intelligence, effective negotiation and extensive contract management solutions, all of which are developed based on client specific needs.

- ENERGY PROCUREMENT
- MARKET ANALYSIS
- BUREAU SERVICES
- HISTORICAL AUDITS
- ENERGY MANAGEMENT
- RENEWABLE PROJECTS

View our Group at a glance **pages 2 and 3**

## Contents



# GROUP AT A GLANCE

Through optimising energy procurement on behalf of its clients, Inspired Energy PLC Group enables its clients to achieve greater certainty of their energy costs and in many cases delivers significant savings.

## Group in numbers

With another year of record results, we have a proven track record with thousands of satisfied clients. Our capability is second to none and we are continually investing in the Company to ensure we remain at the forefront of energy purchasing.

OVER 120 EMPLOYEES ACROSS 3 OFFICES

OVER 9 BILLION KWH MANAGED ANNUALLY

OVER £1.25 BILLION OF ENERGY MANAGED

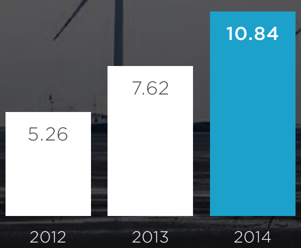
MORE THAN 15,000 METERS MANAGED

## Overview of the year

The Board believes that the Group is in a very strong position to continue with the impressive organic growth demonstrated in 2014. The current year has started well and the Group is ahead of Board expectations in the early part of the year.

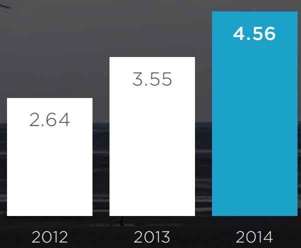
REVENUE (£m)

+42%



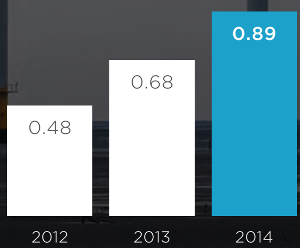

EBITDA* (£m)

+28%




ADJUSTED EPS PROGRESSION (PENCE/SHARE)

+31%




* Earnings before interest, taxation, depreciation and amortisation excluding exceptional items and share-based payment costs.

View our Business model
**pages 6 and 7**

## Corporate division

The Corporate division, which includes Inspired Energy Solutions and DEP delivers core services which are the review, analysis and negotiation of gas and electricity contracts on behalf of corporate clients. In addition, a number of ancillary services are offered to clients.

The Group's team of energy analysts review the historical energy consumption and purchasing on behalf of clients in order to understand and analyse the client's energy needs. Following this review and in-depth discussions with clients regarding their individual requirements, energy purchasing goals and appetite for risk, a bespoke, tailored energy purchasing strategy is designed.

**Sub brands:**

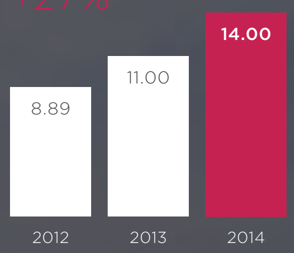
IES INTELLIGENT ENERGY

DEP INTELLIGENT ENERGY

CORPORATE ORDER BOOK (£m)

**£14.00m**

+27%




## SME division

EnergiSave was launched in October 2012 and forms the majority of the Group's SME division. EnergiSave's energy consultants contact prospective clients to offer reduced tariffs and contracts based on the unique situation of the customer.

Leads are generated and managed by the Group's internally generated, bespoke CRM and case management IT system. Tariffs are offered from a range of suppliers and the Group is actively working with new suppliers to increase the range of products available to SME clients.

**Sub brands:**

KWH INTELLIGENT ENERGY

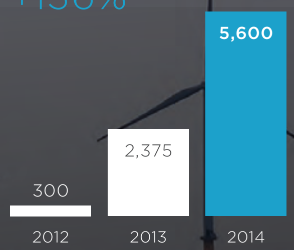
simply business energy

ESO INTELLIGENT ENERGY

SME CLIENTS

**5,600**

+136%



# HIGHLIGHTS

2014 has seen a year of significant growth throughout all divisions of the Group.

REVENUE

**+42%**

PROFIT BEFORE TAX

**£2.98m**

CORPORATE ORDER BOOK

**£14.00m**

## Operational highlights:

- Strong growth in the Corporate division, delivering record revenue, profits and Order Book Sales
- Continued rapid growth in the SME division, particularly in H2 as a result of:
  - Strong uptake of EnergiSave product
  - Acquisitions of KWH Consulting and Simply Business Energy in March, which added an online platform and broadened the client base
- Further diversification of customer base into new sectors
- Headcount increased by 56% to 103 staff as a result of investment in both divisions and SME acquisitions
- High client retention levels maintained:
  - Renewals across the Group at 85%
  - Risk Management division maintained 100% client retention
- Board strengthened with the appointment of Paul Connor as Finance Director with David Foreman taking the position of Corporate Development Director on a consultative basis

## Financial highlights:

| | 2014 | 2013 | 2014 % increase |
|---|---|---|---|
| Revenue | **£10.84m** | £7.62m | 42% |
| Gross profit | **£8.52m** | £6.61m | 29% |
| Adjusted EBITDA* | **£4.56m** | £3.55m | 28% |
| Adjusted profit before tax | **£4.27m** | £3.27m | 31% |
| Profit before tax | **£2.98m** | £1.75m | 70% |
| Net debt | **£3.08m** | £2.13m | 45% |
| Dividend per share | **0.25p** | 0.17p | 47% |
| Adjusted EPS | **0.89p** | 0.68p | 31% |
| Basic EPS | **0.59p** | 0.35p | 69% |
| Corporate Order Book | **£14.00m** | £11.00m | 27% |

* Adjusted EBITDA is earnings before interest, taxation, depreciation and amortisation, excluding exceptional items and share-based payments.

# CHAIRMAN'S STATEMENT

The Board has continued the commercial development of the business and is delighted with the progress made.

I am delighted to present another set of record results for the Group for the year ended 31 December 2014, which has seen a year of significant growth for the Group. I am particularly pleased to report that the financial results achieved have beaten consensus market forecasts for the year. This is all the more impressive given that the Group profit forecasts for FY14 were upgraded as we released our results for the year to 31 December 2013 in March 2014. Inspired has continued to deliver its growth strategy within the Corporate sector and has achieved rapid expansion within the SME division.

The results represent a record year with Group revenue increasing by 42% to £10.84 million (2013: £7.62 million) and adjusted EBITDA increasing by 28% to £4.56 million (2013: £3.55 million). Profit before tax increased by 70% to £2.98 million (2013: £1.75 million).

The Board is delighted to propose a final dividend of 0.18 pence per share subject to shareholder approval at the AGM in June. This combined with the interim dividend payment of 0.07 pence per share, results in a full year dividend of 0.25 pence per share, a 47% increase on 2013 (2013: 0.17 pence). The Group has demonstrated market leading margins in its time as a public company whilst achieving compound organic revenue growth of 44% supplemented by selective acquisitions.

The dividend increase in the year of 47% is a demonstration of the Board's confidence for the future.

The Corporate division has continued to deliver strong growth, achieving record Order Book Sales of £10.0 million in the year (2013: £8.8 million). This strong sales performance is reflected in our Corporate Order Book standing at £14.0 million as at 31 December 2014, representing growth of 27% in the year (2013: £11.0 million). We believe the continued growth of the Order Book demonstrates our position as a market leader to UK corporates in the energy consultancy sector.

In the SME division, the acquisitions of KWH Consulting Limited (KWH) and Simply Business Energy Limited (SBE) in March 2014 have proved highly successful and both businesses have been integrated well. The acquisitions enhanced the range of SME services providing customers with a more rounded service and expanding the Group's expertise and knowledge of the sector. The year was a significant period for this division, as we added expertise, headcount and infrastructure. As a result, this fast growing division has, for the first time, made a significant contribution to the performance of the Group.

We continue to review acquisition targets which can enhance the business adding to our service capability, sector specialism and geographical spread, whilst continuing to deliver strong organic growth rates.

The current year has started well and the Group is trading ahead of Board expectations in the early part of the year. We entered 2015 in an excellent position and with confidence for the year ahead.

**Bob Holt**
**Chairman**
**24 March 2015**

"**WE ENTERED 2015 IN AN EXCELLENT POSITION** AND WITH CONFIDENCE FOR THE YEAR AHEAD"

View our Risks **pages 12 and 13**

View our Managing Director's statement **pages 14 to 17**

# OUR BUSINESS MODEL

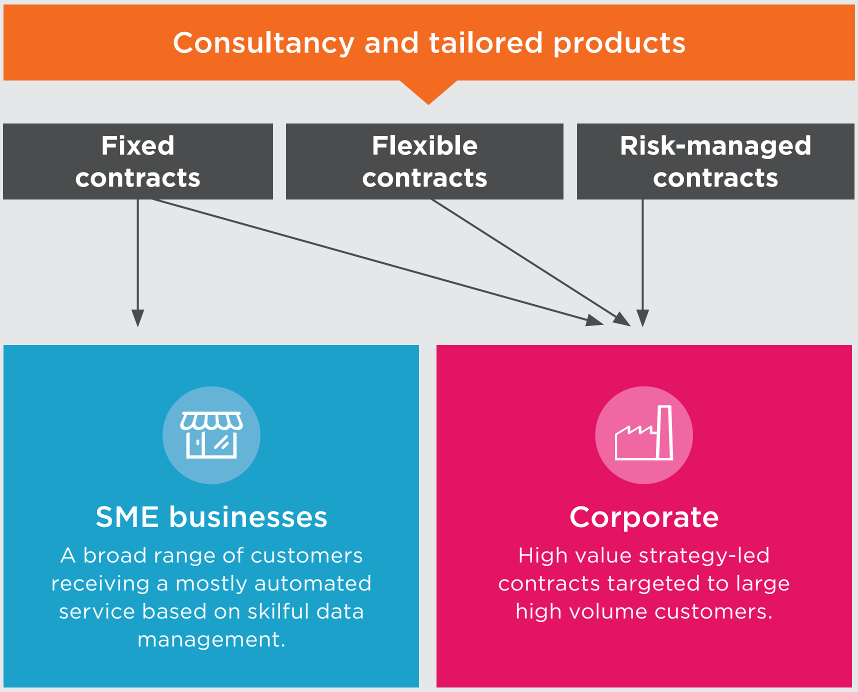
Through our unique combination of established supplier relationships, market expertise and technical capability we are able to realise exceptional value from energy consultancy and procurement.

## What we do

Our size and reputation enables us to partner with UK energy suppliers to offer exclusive contracts to our customers.

Through optimising energy procurement on behalf of our clients, Inspired enables them to achieve greater certainty of their energy costs and in many cases delivers significant savings. The Group currently manages and negotiates gas and electricity supply agreements for approximately 15,000 meters across the UK, operating on behalf of c.6,500 customers.

## Our customers




### How the Group generates revenue

Inspired Energy PLC provides energy procurement consultancy to a range of UK business customers. The Group's core services are primarily the review, analysis and negotiation of gas and electricity contracts on behalf of our clients. The Group generates the majority of its income from commissions received from energy suppliers.

In addition to providing expert consultancy on the negotiation of energy contracts, the Group provides on-going services to our clients throughout the life of each contract, validating customer bills and advising of unexpected usage trends.

Customer contracts
Additional services

+

Commission from energy supplies in relation to customer energy usage

## Our strengths

- Expertise and market knowledge
- Propriety tools and data
- Market leading customer service
- Value adding services

## How we add value

→

MORE CUSTOMERS

MORE INSIGHT

MORE COST SAVINGS

### Our additional services

The Group provides a variety of additional services such as:

- advice in relation to Power Purchasing Agreements for customers who produce their own energy;
- retrospective billing audits; and
- energy reduction and management strategies.

View our Strategy
**page 10**

View our KPIs
**page 11**

## Corporate division

The Corporate division, which includes Inspired Energy Solutions and DEP, delivers core services, which are the review, analysis and negotiation of gas and electricity contracts on behalf of corporate clients. In addition, a number of ancillary services are offered to clients.

### Energy review and benchmarking

The Group's team of energy analysts reviews the historical energy consumption and purchasing on behalf of clients in order to understand and analyse the client's energy needs. Following this review and in-depth discussions with clients regarding their individual requirements, energy purchasing goals and appetite for risk, a bespoke, tailored energy purchasing strategy is designed.

### Negotiation

Based on the agreed tailored purchasing strategy the analyst team will negotiate, on the client's behalf, with energy suppliers ensuring that the client has a choice of the most appropriate energy contracts available in the market. The choice of contracts available to Inspired clients includes a number of contracts that are exclusive to the Group which have been created in partnership with the energy suppliers. Typically these include a range of caveats, carve outs or options which offer the client increased flexibility within a fixed price framework, allowing our clients to fix their budget at the time of purchase but with the opportunity to benefit from any fall in commodity prices.

All tenders also include a thorough review and explanation of the additional pass through charges applicable on an energy contract, ensuring that the client is fully informed and aware of all costs prior to signing an energy contract. The contracts run for between twelve and 36 months.

### Bill validation

Within the Group the bureau team is responsible for the administration of new energy contracts. In addition, the Group offers a bill validation service to all clients. Experienced bureau managers, utilising a bespoke end-to-end contract management IT platform, analyse each client's energy bills throughout the period of their contract, confirming that usage, pass through charges and tariffs are all correctly charged to their energy supplier.

In instances of dispute, the bureau team acts on behalf of the client to resolve queries and ensure that only valid charges are paid.

### Additional services

In addition to the above core services, a number of additional services are offered to customers:

- CRC Reporting – production of management information for customers to comply with Carbon Reduction Commitment legislation.
- Retrospective Auditing – review of last six years' energy procurement charges to ensure no over-charges have been made. The Group operates on a share of savings revenue model in respect of rebates achieved.
- Power Purchasing Agreements – the Group is able to trade green energy certificates on behalf of renewable energy producers.

## Risk managed trading

### Managed frameworks

The Group's Corporate division benefits from a market leading trading team of six analysts, who actively focus on high volume consumers and allow customers to operate more complex, long-term energy 'frameworks' based on agreed risk management strategies.

### Comprehensive approach

Inspired's approach to risk management is comprehensive. The team actively manages the entire energy procurement process from wholesale commodity level to total cost at meter. This is necessary in order to create a succinct, robust and dynamic risk policy tailored to each individual client. Prior to commencement, Inspired undertakes a strategy workshop with clients to establish financial objectives, risk parameters and market engagement rules.

### Market leading terms

Inspired's risk management team ensures clients are offered market leading supplier terms which support the trading strategy, ensuring each client meets their specific procurement objectives.

### 'Whole of market' access

Combined with the team's considerable industry experience and knowledge, the trading team uses all of the LEBA broker platforms and exchanges for the energy markets across the UK and Europe, which ensures all opportunities to mitigate price risk are identified and utilised. In addition to these platforms, the team also has access to leading-edge news and commentary, technical analysis, statistical models and other proprietary tools which helps provide clients with clear views on market behaviour and what future movements could be.

### Budget clarity

All of our risk managed products are supported by sophisticated internal systems which generate pricing automatically so clients are always aware of their total budgetary position.

## SME division

The SME division was launched in October 2012 and has grown rapidly since its launch. SME energy consultants contact prospective clients to offer reduced tariffs and contracts based on the unique situation of the customer.

Leads are generated and managed by the Group's internally generated, bespoke CRM and case management IT system. Tariffs are offered from a range of suppliers and the Group is actively working with new suppliers to increase the range of products available to SME clients.

Following the acquisitions made in the year, the division has developed a fully automated, fully operational online quoting platform for SME customers looking to switch their energy supplier and it has agreements in place with the majority of energy suppliers within the SME sector. The web enabled capability is offered to prospective new, online, customers, and is also used by the sales agents in the division.

# OUR STRATEGY AND KPIs

We are aiming to continue our growth through a combination of organic and acquisitive growth. Our order book position and rapid progress in the SME market provides a strong platform for further investment towards our core objectives.

## Customer service

### Why it's important

Our customers are at the heart of what we do. Our goal is to manage a client's risk profile and to save them money as they purchase energy, whilst ensuring they feel valued, respected and part of the team.

### Achievements in 2014

We implemented a new compliance process and team within our SME division. All calls are recorded, monitored and benchmarked by our dedicated compliance team. Ongoing training for our client facing teams ensure they are constantly improving and developing.

### Looking ahead

Our ongoing training programme will be continually developed and updated and we will continue to reward those members of staff that excel in customer service.

## Product innovation

### Why it's important

Product innovation is how we differentiate Inspired from our competitors. Products such as the MCM are exclusively developed and marketed by Inspired and offer market leading procurement opportunities to our clients.

### Achievements in 2014

Our unique MCM product has proved hugely popular in the year with a significant number of new clients purchasing their energy within the framework.

### Looking ahead

We will continue to work with UK energy suppliers to develop and market innovative, exciting and unique energy products.

## Technology development

### Why it's important

Through developing our technology platforms, Inspired is able to grow rapidly whilst minimising required headcount growth.

### Achievements in 2014

We have now developed an end-to-end platform within the SME division. This has allowed us to stabilise the headcount in H2 and will allow for significant further growth without another step-change in our team.

### Looking ahead

We will continue to develop and streamline our IT platforms within the SME and Corporate divisions. By reducing touchpoints, we can further improve our market leading efficiencies within each division.

## Acquisitions

### Why it's important

Through acquisitions, Inspired is able to access sector specialisms or niche products that we cannot build organically. When adding market expertise to our established sales platform, we have proven we can accelerate the growth of the acquired businesses.

### Achievements in 2014

Inspired acquired Simply Business Energy and KWH Consulting in the year. The acquisitions brought knowledge, relationships and technology to the Group and have been integral to the speed of growth in the SME division.

### Looking ahead

We continue to investigate opportunities within the energy services space. We hope to conclude acquisitions which bring with them specialisms, niches or capabilities which can add value to the Group.

## Key performance indicators

| KPIs | Description | 2014 | 2013 | % |
|---|---|---|---|---|
| **Corporate** | | | | |
| Order Book Sales | The expected value of contracts secured in the year. As a contract is secured, its value is added to the Order Book. Once the contract commences, the Group begins to recognise revenue against the contract, determined by the actual consumption of the client in the period. Recognising revenue against a contract moves the value from the order book to the P&L of the Group. | **£10.0m** | £8.8m | 14% |
| Order Book value | The Order Book value represents the expected revenue yet to be recognised by the Group on secured contracts. | **£14.0m** | £11.0m | 27% |
| Retention rate | The percentage of clients retained by the entire Corporate division. | **85%** | 85% | – |
| Risk management retention rate | The percentage of clients retained by the Risk Management team. | **100%** | 100% | – |
| Contract performance | The percentage for which revenue was recognised on a contract against the expected revenue for that contract, determined at point of sale. This provides an indication of forecasting accuracy for the Corporate business. | **102%** | 102% | – |
| **SME** | | | | |
| Customer numbers | | **5,600** | 2,375 | 136% |
| Average headcount | | **45** | 9 | 400% |

The Group continues to perform well in respect of the key KPIs within the business. The Corporate Order Book continues to grow at an impressive rate and serves to underpin the forecasts of the division. Our retention rate remains strong and our forecasting accuracy is demonstrated by Contract Performance being in excess of 100%.

The SME division has developed strongly and we look forward to continuing its impressive growth rates. As at 31 December the SME division had an average headcount of 45 (2013: 9).

# RISKS

Effectively managing risks is an integral part of Inspired's continuing success. We have identified our main risks and are taking appropriate action to prevent, manage or mitigate these.

**Change in level of risk:**

No change

Increased risk

Decreased risk

| Risk area |
| --- |
| **Key personnel** |
| **Regulatory** |
| **Exposure to underlying clients** |

| | Potential impact | Mitigation | Change |
|---|---|---|---|
| | The Group's business is dependent upon maintaining relationships with its clients and suppliers. These relationships are maintained through the Group's senior personnel and analysts, particularly the Directors. If any key person resigns, there is a risk that no suitable replacement with the requisite skills, contacts and experience would be found to replace such person. | The Directors have equity interests in the Group. Certain key Directors are subject to Key Man insurance policies. In addition, certain senior management personnel have share options in the Group.<br><br>Further details of long-term incentives are outlined on page 22 and in note 19 to the financial statements on page 49. | |
| | Currently energy consultancy and broking is an unregulated market. Should regulation be introduced to cover the Group's activities the increased regulatory burden could impact on the results of the Group. | The Directors believe that the Group operates in line with best market practice, as directed by OFGEM, and any such regulation would initially impact on the smaller energy consultancy and broking businesses. | |
| | The Group's clients pay the energy supplier directly for the energy consumed, with the Group receiving its commissions directly from the energy supplier. The Group is however at risk should the client cease trading or consume less energy than anticipated. Should this occur the Group would suffer a loss in future revenues related to the commissions associated with the future energy consumption by that client. | The energy supplier and the Group undertake credit checks on any client prior to entering into a contract to supply energy.<br><br>In addition, there is limited individual customer concentration for the Group in revenue terms and client consumption of energy compared to forecasts is monitored by the Group. | |

# MANAGING DIRECTOR'S STATEMENT

The Board is delighted with the performance of the Group in the year to 31 December 2014, with every part of the business delivering impressive growth rates.

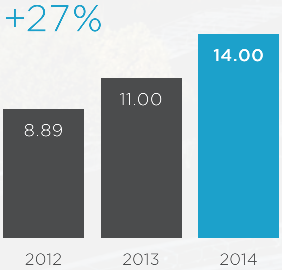
## Summary:

- Strong growth in Corporate division, delivering record revenue, profits and order book sales.
- The SME division achieved rapid growth in 2014, contributing £3.6 million to Group revenue.
- Headcount increased 56% to 103 staff as a result of investment in both divisions and SME acquisitions.

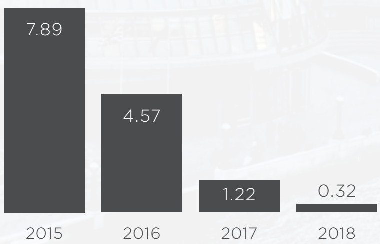
CORPORATE ORDER BOOK (£m)

**£14.00m**

+27%




SECURED REVENUE PROFILE (£m)



# "THE BOARD LOOKS FORWARD TO ANOTHER EXCITING YEAR OF **GROWTH AND DEVELOPMENT** OF THE BUSINESS"

## Performance

The Board is delighted with the performance of the Group in the year to 31 December 2014, with every part of the business delivering impressive growth rates. The Group has achieved an adjusted EBITDA compound annual growth rate of 31% in the two years to 31 December 2014 and we are delighted to report that we have beaten the consensus forecasts at both revenue and profit levels for the year ended 31 December 2014.

The growth achieved by the Group both in 2014 and during its time as a public company is a testament to the hard work and talent of our staff and to the strength of our customer proposition. The Group has a strong and established platform from which to continue the organic growth of the business further strengthened where appropriate by acquisitions. We look forward to the coming year with confidence and enthusiasm.

## Corporate division

### Overview

The Group's Corporate division comprises Inspired Energy Solutions and DEP and delivers core services which are the review, analysis and negotiation of gas and electricity contracts.

In 2014 this division had an excellent year and delivered record revenue, profits and Order Book Sales. This was achieved by continuing to deliver a high level of service to meet corporates' needs, through ensuring clients are offered market leading supplier terms and products, thereby maintaining strong client retention in tandem with growing this division with key corporate wins including: Formica Group, ECOPlastics Recycling Limited and infrastructure services group FM Conway.

In the year:

- Revenue increased 16% to £7.2 million (2013: £6.2 million)
- Order Book increased 27% to £14.0 million (2013: £11.0 million)
- Order Book Sales increased 14% to £10.0 million (2013: £8.8 million)
- High customer retention rates maintained, 85% across the Group (100% in Risk Managed), whilst delivering strong new customer win performance

### Corporate Order Book

The Group is proud to be able to report further Corporate Order Book growth in the year to a record £14.0 million. This represents an increase of 27% and £3.0 million in the year in absolute terms.

| Order Book Analysis | £m |
|---|---|
| Order Book b/f at 31 December 2013 | 11.0 |
| Add: Order Book Sales in period | 10.0 |
| Less: Revenue recognised from Order Book in period | (7.0) |
| **Order Book c/f at 31 December 2014** | **14.0** |

The Order Book is defined as the aggregate revenue expected by the Group in respect of signed contracts between an Inspired client and an energy supplier for the remainder of such contracts (where the contract is live) or for the duration of such contracts (where the contract has yet to commence). No value is ascribed to expected retentions of contracts.

The Order Book only relates to the Corporate division, and does not include any SME revenue or contracts within it. The growth of the Order Book provides an indicator of the latent growth of the business which has yet to be recognised as revenue of the Group. This is because no revenue is recognised by Inspired's Corporate division until the energy is physically consumed by the client.

### Order Book Sales

Order Book Sales values represent the aggregate expected revenue due to the Group from contracts secured within a defined period. Expected revenue is calculated as the expected commission due to the Group from signed contracts between a client and an energy supplier for an agreed consumption value at an agreed commission rate.

An Order Book Sales value which is in excess of revenue recognised, within a defined period, will increase the Order Book of the Group, providing an indicator of expected future growth already secured by the Group. In 2014, Order Book Sales were 39% in excess of revenue recognised in the year, which is manifested in the increase of the Order Book of £3.0 million.

## SME division

### Overview

The Group's SME division includes: EnergiSave Online Limited ("EnergiSave"), KWH and SBE. Within the SME division, the Group's energy consultants contact prospective SME clients to offer reduced tariffs and contracts based on the unique situation of the customer.

The SME division has achieved rapid growth in 2014, with revenue increasing 152% to £3.6 million from £1.4 million in 2013. Following an initial period of investment in the first half of 2014, the division has delivered rapid growth in the second half of the year. In March 2014, the Group acquired KWH and SBE, with the business and key personnel acquired adding value to the existing division through the addition of technical capability and more established supplier relationships within the SME market.

# MANAGING DIRECTOR'S STATEMENT
continued

## SME division continued

### Overview continued

The Group made a significant investment in SME sales and administration staff at the beginning of 2014 in order to establish a robust platform for the division. This investment has now been concluded and we believe that the division is in a strong position to continue its growth without the need for significant additional investment in staff. As forecast in the interim statement for the Group, the maturing of the division has resulted in positive cash flow in the second half of 2014, following a period of investment in the first half of the year.

### Operations

The Group has recently finalised the implementation of a complete, end to end, CRM and contracts management system within the SME division. Leads and opportunities are managed efficiently and accurately to enable strong new client conversion and retention rates.

## Acquisitions

The Board continues to investigate opportunities for the Group to participate in industry consolidation. To create an enlarged and improved business, we believe that potential targets should offer one or more of the following criteria:

- Additional technical and/or service capability
- Sector specialism and diversification
- Increased geographic footprint

The Board continues to seek acquisition opportunities which fit with the strategy above and augment the Group's services, products or markets and was delighted to complete the acquisitions of SBE and KWH in March 2014.

## Exceptional costs

Exceptional costs of £458,302 have been incurred in the year. £191,125 of this amount relates to fees associated with acquisitions in the year and additional consideration in relation to prior year acquisitions. In addition, the Group has incurred £267,177 of restructuring costs relating to the relocation of Direct Energy Purchasing Limited and Inspired Energy (Ireland) Limited to the Inspired Energy PLC head office. These costs are considered by the Directors to be either material in nature or non-recurring and therefore require separate identification to give a true and fair view of the Group's result for the period.

## Cash and borrowings

As at 31 December 2014, the Group had cash balances of £0.77 million. As at this date, the Group had outstanding balances on its senior term debt of £2.36 million, for which annual capital repayments are £0.70 million.

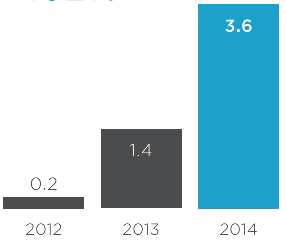
During the year, the Group extended its borrowing with Santander by drawing down £1.50 million of the committed RCF facility made available to the Group at the time of the re-financing in March 2013. The drawdown was undertaken in order to provide additional working capital to the Group which was used, primarily, to invest in the continued growth of the SME division.

As at 31 December 2014, net debt stood at £3.08 million, which is an increase of £0.95 million in comparison to 31 December 2013. The increase in net debt reflects a year in which the cash generation of the Group was offset by the payment of £0.85 million of contingent consideration to the vendors of Direct Energy Purchasing Limited and £0.25 million consideration in respect of the acquisition of KWH Consulting Limited.

SME REVENUE (£m)

**£3.6m**

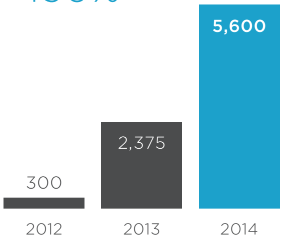
+152%




SME CLIENTS

**5,600**

+136%



## Dividends

The Board is delighted to propose a final dividend of 0.18 pence per share subject to approval at the annual general meeting of the Group. Following the payment of an interim dividend of 0.07 pence per share, the total dividend payable for the year ended 31 December 2014 is 0.25 pence per share. This represents an increase of 47% over the dividend payable in respect of 31 December 2013, being 0.17 pence per share.

The dividend will be payable to all shareholders on the register as at 5 June 2015 and will be paid on 3 July 2015.

## Focus on our people

The Group believes that investment in staff development and welfare builds a stronger business and will continue to make appropriate investment to further develop our team and our environment. This is demonstrated by the Group supporting employees through professional qualifications and work based learning. National Vocational Qualifications (NVQs) continue to be a great success, with employees delivering 100% pass rate in 2014. In addition, a number of staff are undertaking professional qualifications such as ACCA/AAT qualifications to support their development within the business.

In 2014, the Group has developed further onsite facilities such as a staff canteen and break out area to enhance the working experience for all employees.

Throughout the year, Directors of the Group provide relevant information to employees and engage in consultation with them to ensure that their views are considered.

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is given to retrain them in order that their employment with the Group may continue.

## Outlook

Inspired has gone from strength to strength over the past year and has achieved a record year of revenue and profits, beating consensus forecasts for the year following an upgrade in March 2014.

The Corporate division has, once again, delivered exceptional results, achieving new customer wins and maintaining strong customer retention which results in a highly impressive uplift in revenue and Order Book Sales.

The momentum gained in the second half of 2014 in the SME division, as a result of strategic acquisitions, has continued. For the first time, the division has made a significant contribution to the profitability of the Group and will, in 2015, begin to deliver meaningful cash generation. This division continues to outperform our expectations in the current year.

On behalf of the Board, I would like to thank all of the Inspired team for the hard work over the past year, and we look forward to another exciting year of growth and development of the business.

This report was approved by the Board on 24 March 2014 and signed on its behalf.

**Janet Thornton**
**Managing Director**
**24 March 2015**

# BOARD OF DIRECTORS

## Robert Holt (60)

### Non-Executive Chairman

Bob Holt has a background in developing support service businesses. In 1996 Bob bought a controlling interest of Mears Group PLC and took the company onto AIM at a market capitalisation of £3.6 million. Bob has been instrumental in growing Mears to revenues of £1 billion and a market capitalisation of £450 million. Mears has given significant return to shareholders and was the best performing share over five and ten years. Mears joined the main list of the LSE in 2008.

Today, Bob is chairman of Mears Group PLC (MER.L) and chairman of DX (Group) plc and a director of a number of other businesses.

## Janet Thornton (52)

### Managing Director

Following a successful career with a number of energy consultancies such as PCMG, McKinnon & Clarke and Utility Auditing, Janet founded IES, the Group's principal operating subsidiary, in 2000 and has led the business since inception. In addition to day-to-day management of the Group, Janet is responsible for supplier relationships and product development. Through these relationships, the Group has created bespoke, exclusive supply contracts which many of the Group's clients have benefited from.

Since Admission, Janet has been responsible for the integration of DEP, the Group's first acquisition and the inception and development of the Group's SME division, including the integration of KWH Consulting Limited and Simply Business Energy Limited.

## David J Foreman (33)

### Corporate Development Director

David Foreman is a Chartered Accountant, having qualified with KPMG in 2006. David is a co-founder of Praetura Capital LLP, a business specialising in venture investment and corporate advisory services. David operates as a non-executive director for a number of Praetura investments, including Praetura Asset Finance Limited, myparceldelivery.com Limited and Big Red Holdings Limited.

## Matthew Thornton (42)

### Sales Director

Matthew has more than 16 years' experience of the energy markets. He established the risk management division of Inspired Energy in 2005, which now manages in excess of 4.5TWh of gas and power annually. Matthew works very closely with major suppliers in the development of innovative buying solutions to ensure market leading energy supply and trading agreements for the growing portfolio of clients.

The Risk Management team provides trading solutions and procurement strategies for clients whose energy supplies have a contracted spend in excess of £1 billion. The team continues to maintain the 100% retention rate of clients, and during 2014 the team won major new accounts including ECOPlastics Recycling Limited, Formica Group and FM Conway.

## Michael Fletcher (40)

### Non-Executive Director

Mike is a co-founder and managing partner of Praetura Capital LLP, a business specialising in venture investment and corporate advisory, which was incorporated in 2011. Mike sits on the board of a number of Praetura Capital's investments including PIB Limited, EC3 Brokers, Praetura Asset Finance Limited, Artorius Holdings Limited, Starcount Pte Limited and Myparceldelivery Holdings Limited. Mike is also a non-executive director of Fairpoint Group Plc (FRP.L). Mike was previously a managing director of investment bank Altium Capital Limited. He has over 15 years' experience in mergers and acquisitions and corporate finance, advising public companies, private equity houses and entrepreneurs. He is a Chartered Accountant, having completed his training with PwC in 1999 and is both FCA and SRA approved.

## Paul Connor (30)

### Finance Director

Paul Connor was appointed Finance Director in December 2014. Paul joined the Company as Head of Finance in September 2013, leading the day-to-day finance function of the business and working closely with the Board, successfully supporting David Foreman, who since AIM admission had worked as Finance Director on a part time basis. Paul qualified as a Chartered Accountant in 2009, before going on to hold senior finance positions within two growing national legal services providers, Weightmans LLP and Forster Dean Limited, during a period of rapid change within the sector.

# DIRECTORS' REMUNERATION REPORT

This report to shareholders for the year ended 31 December 2014 sets out the Group's remuneration policies. As the Company's shares are registered on the AIM Market of the London Stock Exchange, the Company is required to report in accordance with the remuneration disclosure requirements of the AIM rules.

## Composition and role of the Remuneration Committee

Membership of the Remuneration Committee during the period consisted of the Non-Executive Directors, Bob Holt (Chairman) and Mike Fletcher (Non-Executive Director), and the Managing Director, Janet Thornton. The Committee is chaired by Mike Fletcher.

The Remuneration Committee oversees the remuneration policies and activities of the Group. The Committee met four times in 2014.

The Committee is responsible for determining on behalf of the Board, an appropriate remuneration policy for the Executive Directors and for designing a remuneration framework for them that is consistent with that policy. The Committee also monitors remuneration practice amongst other senior executives and determines the Chairman's fee level and that of the other Non-Executive Directors.

## Remuneration structure for Executive Directors

### Overview

The Remuneration Committee is committed to maintaining high standards of corporate governance and has taken steps to comply with best practice in so far as it can be applied practically given the size of the Group and the nature of its operations.

### Remuneration policy

The Committee aims to ensure that the total remuneration for the Executive Directors is soundly based, internally consistent, market competitive and aligned with the interests of shareholders. No Director takes part in decisions regarding their personal remuneration.

To design a balanced package for the Executive Directors and senior management, the Committee considers the individual's experience and the nature and complexity of their work in order to pay a competitive salary that attracts and retains management of the highest quality, while avoiding remunerating those Directors more than is necessary. The Committee also considers the link between the individual's remuneration package and the Group's long-term performance.

### Basic salary

Salaries are reviewed annually and are benchmarked against businesses acting within the energy consultancy and procurement market. The review process is undertaken having regard to the development of the Group and the contribution that individuals will continue to make as well as the need to retain and motivate individuals. The basic annual salaries payable to the Managing Director, Sales Director and Finance Director are £150,000, £100,000 and £90,000 per annum respectively.

### Performance related pay

The Managing Director can earn a cash bonus of up to 50 per cent of her annual basic salary payable against meeting personal and business targets as set out by the Committee at the beginning of each year. The Sales Director is entitled, in certain circumstances, to receive a commission of up to 6 per cent of the contract value of new business generated or retained by the Group subject to performance criteria. The Finance Director can earn a discretionary bonus payable against business targets as set by the Committee.

### Service contracts

Each Executive Director has a service contract with the Group which contains details regarding remuneration, restrictions and disciplinary matters. Executive Directors (excluding David Foreman) are appointed by the Group on contracts terminable on not more than six months' notice.

On 23 November 2011, the Company agreed with Praetura Capital to procure the services of David Foreman as a part time Finance Director for the Group working three days per week with effect from Admission. The agreement was for an initial fixed term of twelve months and thereafter could be terminated by either party serving at least six months' written notice on the other. The terms of the agreement remain consistent despite the change of role to Corporate Development Director during the year. In consideration of its services, Praetura Capital is entitled to a basic fee of £60,000 per annum, exclusive of value added tax but no benefits are to be provided.

### Non-Executive Directors

The fees of the Chairman are determined by the Committee and the fees of the Non-Executive Directors by the Board following a recommendation from the Chairman. The Chairman and Non-Executive Directors are not involved in any discussions or decisions about their own remuneration.

The annual fee levels as at 31 December 2014 were:

- Chairman – £43,200
- Non-Executive Director – £43,200

There is no right to any further benefits in kind.

## Remuneration structure for Executive Directors continued

### Non-Executive Directors continued

Directors' emoluments for the year ended 31 December 2014 are summarised below:

| | Salary/fees/ bonus £ | Year ended 31 December 2014 £ | Year ended 31 December 2013 £ |
|---|---|---|---|
| **Executive** | | | |
| Janet Thornton | 200,000 | **200,000** | 141,250 |
| Matthew Thornton | 165,261 | **165,261** | 212,733 |
| David Foreman | 60,000 | **60,000** | 60,000 |
| Paul Connor (Appointed 9 December 2014) | 56,667 | **56,667** | — |
| | 481,928 | **481,928** | 413,983 |
| **Non-Executive** | | | |
| Bob Holt | 43,200 | **43,200** | 40,200 |
| Mike Fletcher | 43,200 | **43,200** | 40,200 |
| | 86,400 | **86,400** | 80,400 |
| **Total** | 568,328 | **568,328** | 494,383 |

Paul Connor was granted 1,500,000 EMI Share Options on 15 January 2014 subject to an exercise price of 8.75 pence (being the close mid-price of the shares on the day prior to the grant of the options and hence the market value of the shares subject to the options).

These options will become exercisable in four equal tranches on the following dates, subject to continuing employment at each exercise date:

(i) the date on which the Group publishes its audited accounts for the year ending 31 December 2014;

(ii) the date on which the Group publishes its interim accounts for the six months ending 30 June 2015;

(iii) the date on which the Group publishes its audited accounts for the year ending 31 December 2015; and

(iv) the date on which the Group publishes its interim accounts for the six months ending 30 June 2016.

Directors' interests in shares of the Company as at 31 December 2014:

| | Number of shares | % |
|---|---|---|
| Janet Thornton | 69,486,295 | 16.40 |
| Matthew Thornton | 69,486,295 | 16.40 |
| Praetura Ventures (1) LLP* | 35,266,667 | 8.32 |
| Bob Holt | 7,500,000 | 1.77 |

* Praetura Ventures (1) LLP is jointly owned by Michael Fletcher and David Foreman.

This report has been approved by the Board and has been signed on behalf of the Board by:

**Michael Fletcher**
**Chairman of Remuneration Committee**
**24 March 2015**

# GROUP DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 December 2014.

## Principal activities

Inspired Energy Plc is focused on the creation of shareholder value through the advisory and procurement consultancy services it provides to corporates and energy intensive SMEs in respect of their energy purchasing.

## Review of business and future developments

The Board has continued the commercial development of the business and is pleased with the progress made.

## Basis of preparation of the financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. In accordance with IFRS, the financial statements reflect the results of Inspired Energy PLC and its subsidiaries for the year ended 31 December 2014 and for the year ended 31 December 2013. Further details are provided in notes 2.1 and 2.2 to the financial statements.

## Cash and borrowings

As at 31 December 2014, the Group had cash balances of £0.77 million. As at this date, the Group had outstanding balances on its senior term debt of £2.36 million, for which annual capital repayments are £0.70 million.

During the year, the Group extended its borrowing with Santander by drawing down £1.50 million of the committed RCF facility made available to the Group at the time of the re-financing in March 2013. The drawdown was undertaken in order to provide additional working capital to the Group which was used, primarily, to invest in the continued growth of the SME division.

As at 31 December 2014, net debt stood at £3.08 million, which is an increase of £0.95 million in comparison to 31 December 2013. The increase in net debt reflects a year in which the cash generation of the Group was offset by the payment of £0.85 million of contingent consideration to the vendors of Direct Energy Purchasing Limited and £0.25 million consideration in respect of the acquisition of KWH Consulting Limited.

## Dividends

The Board is delighted to propose a final dividend of 0.18 pence per share subject to approval at the annual general meeting of the Group. Following the payment of an interim dividend of 0.07 pence per share, the total dividend payable for the year ended 31 December 2014 is 0.25 pence per share. This represents an increase of 47% over the dividend payable in respect of 31 December 2013, being 0.17 pence per share.

The dividend will be payable to all shareholders on the register as at 5 June 2015 and will be paid on 3 July 2015.

## Going concern

Having made reasonable enquiries, the Directors are of the opinion that the Group has sufficient resources to continue in operational existence for the foreseeable future and hence these financial statements have been prepared on a going concern basis. Further details are disclosed within note 2.1 to the Group financial statements.

## Directors and their shareholdings

The Directors who served during the year and their interests in the shares of the Group as recorded in the register of Directors' interests were as follows:

| | 31 December 2014 | % |
|---|---|---|
| Janet Thornton | 69,486,295 | 16.40 |
| Matthew Thornton | 69,486,295 | 16.40 |
| Praetura Ventures (1) LLP* | 35,266,667 | 8.32 |
| Bob Holt | 7,500,000 | 1.77 |

* Praetura Ventures (1) LLP is jointly owned by Michael Fletcher and David Foreman, Directors of the Group.

# GROUP DIRECTORS' REPORT

continued

## Substantial shareholdings

At 14 February 2015, notification had been received of the following interests which exceed a 3 per cent interest in the issued share capital of the Group, in addition to those of the Directors referred to on page 21.

| | Number of shares | % |
|---|---|---|
| Living Bridge EP LLP | 45,619,172 | 10.77 |
| Miton Asset Management | 30,597,648 | 7.22 |
| David Waite | 26,081,755 | 6.16 |
| Octopus Investments Ltd | 23,007,564 | 5.43 |
| Regent Gas Holdings Limited | 15,252,380 | 3.60 |
| Tim Forrest | 13,218,334 | 3.12 |

## Corporate governance

The Directors are committed to maintaining high standards of corporate governance. This statement sets out how the Board has applied the principles of good corporate governance in its management of the business in the year ended 31 December 2014, relevant to the Group's size and complexity.

In applying the principle that the Board should maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets, the Directors recognise that they have overall responsibility for ensuring that the Group maintains proper accounting records and a system of internal control to provide them with reasonable assurance regarding effective and efficient operations, internal financial control and compliance with laws and regulations. However, there are inherent limitations in any system of internal control and, accordingly, even the most effective system can provide only reasonable, and not absolute, assurance particularly against misstatement or loss.

As might be expected in a group of this size, a key control procedure during the period was the day-to-day supervision of the business by the Executive Directors.

## Board responsibilities

The Board is responsible for the overall strategy and direction of the Group and for approving acquisitions and disposals, management performance, major capital and development expenditure and significant financial matters. It monitors exposure to key business risks and reviews the strategic direction of the Group, their annual budgets, their progress against those budgets and their development programmes. The Board also considers employee issues and key appointments.

The Board has established an Audit Committee and a Remuneration Committee. Each Committee operates within defined terms of reference. The Audit and Remuneration Committees comprise Bob Holt and Mike Fletcher as Non-Executive Directors and Janet Thornton as an Executive Director. The Audit Committee is chaired by Bob Holt and the Remuneration Committee is chaired by Mike Fletcher. The Audit Committee is required to meet at least twice a year and its primary responsibilities include monitoring internal controls, approving the Group's accounting policies and reviewing the interim and annual reports.

## Relationship Agreement

Janet Thornton, Matthew Thornton and David Waite, the original shareholders of Inspired Group Holdings, who together own 38.96 per cent of the enlarged share capital of the Group, the Company and Shore Capital and Corporate Limited (Nomad) entered into an agreement dated 23 November 2011 (the "Relationship Agreement") which regulates the ongoing relationship between themselves and the Group. The Relationship Agreement will continue for so long as Janet Thornton, Matthew Thornton and David Waite, or any of them as individuals have an aggregate interest of at least 30 per cent of the equity voting rights of the Company.

## Long-term incentives

There is a share option scheme in place, under which options are granted to senior staff members. The purpose of which is to assist in the recruitment or retention of employees and Directors by enabling the Group to grant EMI Options to such persons pursuant to the rules of the Share Option Scheme 2011 (the "Rules"). The Share Option Scheme also facilitates the grant of Unapproved Options.

The principal terms of the Share Option Scheme are summarised in note 19.

## Financial risk management

The Group uses various financial instruments, which include loans, cash and other items such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The existence of these financial instruments exposes the Group to a number of financial risks. These are liquidity risk, credit risk and interest rate risk. The Directors review and agree policies for managing each of these risks and they are summarised below.

### Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs, by the use of bank facilities and loans, and to invest cash assets safely and profitably.

### Credit risk

The Group's trade receivables relate to amounts owed by UK energy suppliers. Given the size and stability of the core receivables, the Directors do not believe that credit risk to the Group is significant. However, the Directors monitor any default risk on an ongoing basis.

### Interest rate risk

The Group has sought to manage its interest rate risk by undertaking an interest rate swap against three month LIBOR to cover £2.5 million of its total indebtedness at an interest rate of 1.31 per cent for the term of the loan. The Group does not adopt the principles of hedge accounting.

## Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs) and have elected to prepare the parent company financial statements in accordance with UK Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company and Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs and UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as each Director is aware there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Directors' liability insurance

The Group maintains liability insurance for the Directors and officers of all Group companies. The Directors and officers have also been granted a qualifying third provision under section 236 of the Companies Act 2006. Neither the Group's indemnity nor insurance providers cover in the event that a Director or officer is proved to have acted fraudulently or dishonestly.

## Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be proposed for reappointment for the next financial year, at the AGM, in accordance with section 489 of the Companies Act 2006.

On behalf of the Board

**Janet Thornton**
**Managing Director**
**24 March 2015**

# FINANCIAL STATEMENTS

**Financial statements**



# INDEPENDENT AUDITOR'S REPORT

To the members of Inspired Energy PLC

We have audited the financial statements of Inspired Energy PLC for the year ended 31 December 2014 which comprise the group income statement, the group statement of financial position, the group statement of changes in equity, the group statement of cash flows, the parent company balance sheet and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and international Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

## Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 23 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

## Opinion on financial statements

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 31 December 2014 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

## Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Chairman's Statement, Managing Director's Statement, Strategic Report and Group Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

**Stuart Muskett**
**Senior Statutory Auditor**
**for and on behalf of Grant Thornton UK LLP**
**Statutory Auditor, Chartered Accountants**
**Manchester**
**24 March 2015**

# GROUP INCOME STATEMENT

For the year ended 31 December 2014

| | Note | 2014 £ | 2013 £ |
|---|---|---|---|
| **Revenue** | 6 | **10,835,322** | 7,618,325 |
| Cost of sales | | **(2,311,683)** | (1,009,291) |
| **Gross profit** | | **8,523,639** | 6,609,034 |
| Administrative expenses | | **(5,363,347)** | (4,629,475) |
| **Operating profit** | | **3,160,292** | 1,979,559 |
| Analysed as: | | | |
| Earnings before exceptional costs, depreciation, amortisation and share-based payment costs | | **4,556,228** | 3,548,680 |
| Exceptional costs | 4 | **(458,302)** | (358,700) |
| Depreciation | 11 | **(116,798)** | (49,857) |
| Amortisation of intangible assets | 12 | **(521,102)** | (948,466) |
| Share-based payment costs | | **(299,734)** | (212,098) |
| | | **3,160,292** | 1,979,559 |
| Finance expenditure | 5 | **(168,832)** | (224,004) |
| Other financial items | | **(10,147)** | (9,743) |
| **Profit before income tax** | 4 | **2,981,313** | 1,745,812 |
| Income tax expense | 9 | **(508,550)** | (324,462) |
| **Profit for the year and total comprehensive income from continuing operations** | | **2,472,763** | 1,421,350 |
| Attributable to: | | | |
| Equity owners of the Company | | **2,472,763** | 1,421,350 |
| Basic earnings per share attributable to the equity holders of the Company (pence) | 10 | **0.59** | 0.35 |
| Diluted earnings per share attributable to the equity holders of the Company (pence) | 10 | **0.57** | 0.33 |

The profit for the period per the Group income statement is also the total comprehensive income for the period and consequently no separate statement of comprehensive income is presented.

The notes on pages 30 to 53 form part of these financial statements.

# GROUP STATEMENT OF FINANCIAL POSITION

At 31 December 2014

| | Note | 2014 £ | 2013 £ |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Intangible assets | 12 | 3,119,578 | 2,332,828 |
| Property, plant and equipment | 11 | 560,230 | 296,792 |
| Deferred tax asset | 15 | 50,076 | — |
| **Non-current assets** | | 3,729,884 | 2,629,620 |
| **Current assets** | | | |
| Trade and other receivables | 13 | 6,199,883 | 3,369,000 |
| Cash and cash equivalents | | 774,822 | 930,481 |
| **Current assets** | | 6,974,705 | 4,299,481 |
| **Total assets** | | 10,704,589 | 6,929,101 |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 14 | 892,163 | 707,099 |
| Bank borrowings | 16 | 2,200,000 | 700,000 |
| Deferred consideration | 17 | 50,000 | — |
| Contingent consideration | 17 | — | 608,145 |
| Current tax liability | | 1,159,998 | 621,079 |
| **Current liabilities** | | 4,302,161 | 2,636,323 |
| **Non-current liabilities** | | | |
| Bank borrowings | 16 | 1,656,746 | 2,356,746 |
| Trade and other payables | 14 | 184,235 | 313,225 |
| Deferred consideration | 17 | 300,000 | — |
| Interest rate swap | | 14,913 | 4,766 |
| Deferred tax liability | 15 | — | 58,895 |
| **Non-current liabilities** | | 2,155,894 | 2,733,632 |
| **Total liabilities** | | 6,458,055 | 5,369,955 |
| **Net assets** | | 4,246,534 | 1,559,146 |
| **EQUITY** | | | |
| Share capital | 18 | 529,602 | 512,162 |
| Share premium account | 18 | 1,596,028 | 1,203,970 |
| Merger relief reserve | 18 | 8,925,737 | 8,623,237 |
| Share-based payment reserve | | 457,728 | 291,616 |
| Retained earnings | | 4,120,212 | 2,310,934 |
| Reverse acquisition reserve | | (11,382,773) | (11,382,773) |
| **Total equity** | | 4,246,534 | 1,559,146 |

The financial statements were approved and authorised for issue by the Board of Directors on 24 March 2015 and were signed on its behalf by:

**J Thornton**
**Managing Director**

**P Connor**
**Finance Director**

Company registration number: 07639760.

The notes on pages 30 to 53 form part of these financial statements.

# GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

| | Share capital £ | Share premium account £ | Merger relief reserve £ | Share-based payment reserve £ | Retained earnings £ | Reverse acquisition reserve £ | Total shareholders' equity £ |
|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2013** | **505,190** | **1,043,606** | **8,623,237** | **212,098** | **1,406,529** | **(11,382,773)** | **407,887** |
| **Profit and total comprehensive income for the period** | **—** | **—** | **—** | **—** | **1,421,350** | **—** | **1,421,350** |
| Shares issued (26 March 2013) | 1,162 | 26,726 | — | — | — | — | 27,888 |
| Shares issued (20 August 2013) | 3,486 | 80,183 | — | — | — | — | 83,669 |
| Shares issued (24 September 2013) | 2,324 | 53,455 | — | — | — | — | 55,779 |
| Share-based payment cost | — | — | — | 212,098 | — | — | 212,098 |
| Share options lapsed/exercised | — | — | — | (132,580) | 132,580 | — | — |
| Dividends paid | — | — | — | — | (649,525) | — | (649,525) |
| **Total transactions with owners** | **6,972** | **160,364** | **—** | **79,518** | **(516,945)** | **—** | **(270,091)** |
| **Balance at 31 December 2013** | **512,162** | **1,203,970** | **8,623,237** | **291,616** | **2,310,934** | **(11,382,773)** | **1,559,146** |
| Profit and total comprehensive income for the period | — | — | — | — | 2,472,763 | — | 2,472,763 |
| Shares issued (18 March 2014) | 2,500 | — | 302,500 | — | — | — | 305,000 |
| Shares issued (10 April 2014) | 1,437 | 39,481 | — | — | — | — | 40,918 |
| Shares issued (29 April 2014) | 1,814 | 46,410 | — | — | — | — | 48,224 |
| Shares issued (4 June 2014) | 3,472 | 95,311 | — | — | — | — | 98,783 |
| Shares issued (2 September 2014) | 8,217 | 210,856 | — | — | — | — | 219,073 |
| Share-based payment cost | — | — | — | 299,734 | — | — | 299,734 |
| Share options lapsed/exercised | — | — | — | (133,622) | 133,622 | — | — |
| Dividends paid | — | — | — | — | (797,107) | — | (797,107) |
| **Total transactions with owners** | **17,440** | **392,058** | **302,500** | **166,112** | **(663,485)** | **—** | **214,625** |
| **Balance at 31 December 2014** | **529,602** | **1,596,028** | **8,925,737** | **457,728** | **4,120,212** | **(11,382,773)** | **4,246,534** |

## Merger relief reserve

Merger relief reserve represents the premium arising on shares issued as part or full consideration for acquisitions, where advantage has been taken of the provisions of section 612 of the Companies Act 2006.

## Reverse acquisition reserve

The reverse acquisition reserve relates to the reverse acquisition between Inspired Energy Solutions Limited and Inspired Energy PLC on 28 November 2011 and arises on consolidation.

## Share-based payment reserve

The share-based payment reserve is a reserve to recognise those amounts in equity in respect of share-based payments.

The notes on pages 30 to 53 form part of these financial statements.

# GROUP STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

| | 2014 £ | Restated* 2013 £ |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit before income tax | 2,981,313 | 1,745,812 |
| **Adjustments** | | |
| Depreciation | 116,798 | 49,857 |
| Amortisation | 521,102 | 948,466 |
| Share-based payment costs | 299,734 | 212,098 |
| Contingent consideration | 141,855 | 207,000 |
| Finance expenditure | 168,832 | 224,004 |
| Other financial items | 10,147 | 9,743 |
| **Cash flows before changes in working capital** | 4,239,781 | 3,396,980 |
| **Movement in working capital** | | |
| Increase in trade and other receivables | (2,553,399) | (931,268) |
| Increase in trade and other payables | 50,358 | 328,757 |
| **Cash generated from operations** | 1,736,740 | 2,794,469 |
| Income taxes paid | (133,102) | (768,419) |
| **Net cash flows from operating activities** | 1,603,638 | 2,026,050 |
| **Cash flows from investing activities** | | |
| Contingent consideration paid | (750,000) | (1,100,000) |
| Acquisition of subsidiaries, net of cash acquired | (223,569) | — |
| Payments to acquire property, plant and equipment | (380,236) | (114,811) |
| Payments to acquire intangible assets | (627,414) | (388,338) |
| Net cash used in investing activities | (1,981,219) | (1,603,149) |
| **Cash flows from financing activities** | | |
| New bank loans (net of debt issue costs) | 1,500,000 | 3,500,000 |
| Proceeds from equity fundraising | 406,998 | 167,336 |
| Repayment of bank loans | (700,000) | (3,339,121) |
| Interest on bank loans paid | (178,979) | (228,982) |
| Dividends paid | (797,107) | (649,525) |
| Repayment of hire purchase agreements | (8,990) | (12,596) |
| **Net cash from/(used in) financing activities** | 221,922 | (562,888) |
| **Net decrease in cash and cash equivalents** | (155,659) | (139,987) |
| Cash and cash equivalents brought forward | 930,481 | 1,070,468 |
| **Cash and cash equivalents carried forward** | 774,822 | 930,481 |

* The cash flows previously reported for 2013 presented the repayment of loan facility and proceeds from new bank loans on a net basis. This presentation has now been corrected to disclose the transactions on a gross basis.

The notes on pages 30 to 53 form part of these financial statements.

# NOTES TO THE GROUP FINANCIAL STATEMENTS

## 1. General information

Inspired Energy PLC (the "Company") and its subsidiaries (together, the "Group", "Inspired") provide energy purchasing and energy consultancy services to corporate and SME energy users. Through optimising energy procurement strategies, Inspired enables clients to achieve greater certainty or cost efficiency in respect of their energy costs. The address of its registered office and principal place of business are disclosed on the inside back cover of the annual report.

Inspired Energy PLC is a company registered and domiciled in England and Wales. Inspired Energy PLC's consolidated full year financial statements are presented in British Pounds (£), which is also the functional currency of the parent company.

## 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Group financial statements are set out below.

### 2.1 Basis of preparation

The Group financial statements have been prepared under the measurement and recognition criteria of IFRS as adopted by the European Union.

#### Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Managing Director's statement, Strategic report and Group Directors' report on pages 14 to 23. The financial position of the Group, its cash flows and liquidity position are described on pages 11 to 17. In addition, note 17 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Group's forecasts, which have been prepared for the period to 31 December 2016 after taking into account the contracted orders book, future sales performance, expected overheads, capital expenditure and debt service costs, show that the Group should be able to operate profitably and within the current financial resources available to the Group.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Group financial statements.

The preparation of financial statements, in conformity with generally accepted accounting principles under IFRS, requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates.

#### Key sources of estimation uncertainty

There are no critical judgements, other than those involving estimations. The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

*i. Revenue recognition – SME division*

Energy procurement revenue is recorded at fair value of the service provided, which is calculated using expected energy use of the business customer at agreed commission rates with the energy provider. The Group believes that, based on historic usage data, it can reliably measure commission revenue for the SME division, however there is inevitably a variability in these calculations for energy use by the business customer and this is taken into account when assessing the initial fair value. The fair value estimate is to be assessed on an ongoing basis to ensure it remains appropriate. The value of SME division accrued income at 31 December 2014 was £2,679,227 (2013: £608,036).

*ii. Goodwill impairment*

The Group determines whether goodwill arising on acquisitions is impaired on at least an annual basis. This requires an estimation of the 'recoverable amount' – the higher of 'value in use' and fair value less costs of disposal – of the cash-generating units to which the goodwill is allocated. Estimating a value in use amount requires the Directors to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows (see note 12). The actual cash flows may be different from the Directors' estimates, which could impact the carrying value of the goodwill and therefore operating results negatively. The value of goodwill at 31 December 2014 is £2,075,739 (2013: £1,667,801).

*iii. Share-based incentive arrangements*

Share-based incentive arrangements are provided to management and certain employees. These are valued at the date of grant using the Black-Scholes option pricing model for options with non-market vesting conditions. Management has to exercise judgement over the likely exercise period, interest rate and share price volatility (note 19). Management uses various sources of information including its own share price performance, experience from the historical exercise of options and published data on risk free rates. The charge recognised in the current year in respect of these arrangements is £299,734 (2013: £212,098).

## 2. Summary of significant accounting policies continued

### 2.2 Basis of consolidation and business combinations

The Group financial statements incorporate the accounts of the Company and all subsidiaries (as disclosed in note 24). These are adjusted, where appropriate, to conform to Group accounting policies. Acquisitions are accounted for under the acquisition method. The results of companies acquired or disposed of are included in the Group income statement after or up to the date that control passes, respectively.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, contingent consideration and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date.

Provisional fair values are adjusted against goodwill if additional information is obtained within one year of the acquisition date, about facts or circumstances existing at the acquisition date. Other changes in provisional fair values are recognised through profit or loss.

Changes in contingent consideration arising from additional information, obtained within one year of the acquisition date, about facts or circumstances that existed at the acquisition date are recognised as an adjustment to goodwill. Other changes in contingent consideration that arise from legally binding agreements since the acquisition are recognised through profit or loss, unless the contingent consideration is classified as equity.

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

### 2.3 Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary at the date of acquisition.

Upon the acquisition of subsidiaries, goodwill is separately recognised.

Goodwill is recognised as an asset and reviewed for impairment at least annually, Any impairment is recognised immediately in the Group income statement and is not subsequently reversed. Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit to which goodwill has been allocated. This is calculated as the higher of the value in use and the fair value less cost to sell. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal, along with the net book value of assets disposed and costs incurred in the disposal process.

### 2.4 Revenue recognition

Revenue is comprised of commissions received from energy suppliers, net of value added tax, for the procurement as an agent of fixed, flexible or risk managed energy contracts with Corporate and SME customers. The Group recognises revenue for services provided where the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Group. Commission income has been recognised as follows:

#### Corporate division

Commissions received from the energy suppliers are based upon the energy usage of the Corporate customer at agreed commission rates with the energy suppliers. Commission income is recognised in line with the energy usage of the Corporate customer over the term of the contract which is considered to be the point at which commission income can be reliably measured. This is due to the impact of the observed variability of actual to estimated energy usage on Corporate customer contracts on the substantial Order Book of the Corporate division.

No amounts of revenue are separately recognised in respect of further services provided once the contract has gone live e.g. bill validation. This would have no impact on the amount of revenue recognised given that commission income is recognised in line with energy usage.

The majority of contracts are entered into as 'direct billing' contracts, whereby commissions are received in cash terms in line with the billing profile of the ultimate customer, which can be on a monthly or quarterly basis. For a minority of suppliers, 'up-front payment' contacts are entered into, whereby the supplier pays a percentage of the commission on the contract commencement date, with the remaining percentage on contract reconciliation at a future specified date.

Accrued income for the Corporate division represents commission income recognised at the year end in respect of customer energy usage prior to the year end which has not been settled by the energy supplier at that point.

For risk managed contracts, where a number of services are provided to the Corporate customer over the term of the contract, commission income is similarly recognised in line with the energy usage of the customer which approximates to recognition on a straight line basis over the contract period.

## 2. Summary of significant accounting policies continued

### 2.4 Revenue recognition continued

#### SME division

The SME division provides services through procuring contracts with energy suppliers on behalf of SME customers and generates revenues by way of commissions received directly from the energy suppliers. No further services regarding procurement are performed once the contract is authorised by the supplier. Commissions earned by the SME division fall into two broad categories:

*Change of Tenancy Agreements (COTS)*

COTS agreements are largely entered into by customers on moving into new premises. Revenue relates to an upfront fixed commission received from the energy supplier, on setting up a new supply agreement. The commission received has no linkage to future energy usage and hence revenue can be reliably measured at the point the contract has been authorised by the energy supplier. Revenue is recognised at the point the contract has been authorised by the energy supplier.

*Other SME Agreements*

For other SME agreements, commissions are based upon the energy usage of the SME customer at agreed commission rates with the energy suppliers. The expected commission over the full term of the contract is recognised at the point the contract is authorised by the supplier. Where actual energy use by the business differs to that calculated at the date the contract goes live, an adjustment is made to revenue once the actual data is known.

The cash received profile relating to these revenues varies according to the contract terms in place with the energy supplier engaged and can be received before the date the contract goes live or spread over the terms of the contract between the energy supplier and the end customer which can be for a period of up to three years. Accrued revenue relates to commission earned, not yet received or paid.

### 2.5 Cost of sales

Cost of sales represents internal or external commissions paid in respect of sales made and are recognised as follows:

#### Corporate division

Sales commissions paid in respect of the Corporate division are recognised in profit or loss on a straight line basis over the life of the contract, being a reasonable approximation of how the relative revenues are recognised.

#### SME division

Sales commissions paid in respect of both COTS and Other SME agreements are recognised in profit or loss at the point when the contract is authorised with the supplier, and is therefore recognised in the same period as the associated commission income.

### 2.6 Exceptional costs

Exceptional costs represent those costs/(income) that are considered by the Directors to be either material in nature or non-recurring and that require separate identification to give a true and fair view of the Group's profit for the period.

### 2.7 Property, plant and equipment

Plant and equipment is stated at historical cost less depreciation and any provision for impairment. Depreciation of assets is calculated using either the straight line or the reducing balance method to allocate their cost over their estimated useful lives as follows:

- Fixtures and fittings: 20 per cent reducing balance
- Motor vehicles: 25 per cent reducing balance
- Computer equipment: 25 per cent reducing balance
- Leasehold improvements: ten years straight line

Material residual value estimates are updated as required, but are reviewed at least annually. Gains and losses on disposal are determined by comparing net proceeds with carrying amount and are included in the Group income statement.

### 2.8 Impairment

The carrying values of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. Where an indicator exists, an impairment test is performed and the recoverable amount of the asset or CGU is calculated.

The recoverable amount of an asset is the higher of its fair value less costs to sell, and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

An impairment loss is representing the difference between recoverable amount and carrying value recognised in the Group income statement whenever the carrying amount of an asset or cash-generating unit exceeds its recoverable amount.

## 2. Summary of significant accounting policies continued

### 2.9 Other intangible assets

Customer contracts acquired as part of a business combination are initially measured at fair value and amortised over the expected life of the customer contract. Assumptions are used in estimating the fair value of acquired intangible assets and include management's estimate of revenue and profits to be generated by the acquired businesses. Separate values are not attributed to internally generated customer and supplier relationships.

Acquired computer software is capitalised on the basis of costs incurred to acquire and install the specific software.

Internally developed computer software costs are recognised as intangible assets, during the development phase, provided that they meet the following criteria:

- the development costs can be measured reliably;
- the project is technically and commercially feasible;
- the Group intends to and has sufficient resources to complete the project;
- the Group has the ability to use or sell the software; and
- the software will generate probable future economic benefits.

Development costs not meeting these criteria are expensed as incurred. Directly attributable costs include employee (other than Directors) costs incurred on software development along with an appropriate portion of relevant overheads.

Amortisation is calculated to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

- Customer contracts – amortised on a straight line basis across the life of the contract
- Computer software – five years straight line
- Customer databases – two years straight line

### 2.10 Current tax

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from profit as reported in the Group income statement because it excludes items of income and expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

### 2.11 Deferred tax

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Temporary differences include those associated with shares in subsidiaries, if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward are assessed for recognition based on their recoverability.

Deferred tax liabilities that are recognised are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the Group income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

# NOTES TO THE GROUP FINANCIAL STATEMENTS
continued

## 2. Summary of significant accounting policies continued

### 2.12 Share-based payments

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date.

Share options are valued at the date of grant using the Black-Scholes option pricing model and are charged to operating profit over the vesting period of the award with a corresponding credit to the share-based payments reserve.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital and where appropriate share premium account.

### 2.13 Operating lease commitments

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit on a straight line basis over the period of the lease.

### 2.14 Recently issued accounting pronouncements

At the date of authorisation of these financial statements, the following relevant Standards and Interpretations were in issue but not yet effective and have not been applied in these financial statements.

- IFRS 9 Financial Instruments (effective 1 January 2018)
- IFRS 15 Revenue from Contracts with Customers (effective 1 January 2017)
- Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38 (effective 1 January 2016)
- Amendments to IAS 27: Equity Method in Separate Financial Statements (effective 1 January 2016)
- Annual improvements to IFRSs 2012 – 2014 cycle (effective 1 January 2016)

The Directors do not expect that the adoption of these Standards and Interpretations in future periods will have a material impact on the financial statements of the Group.

During the current period, the following relevant Standards and Interpretations become effective and have been adopted but have not had a material impact of the financial statements of the Group:

- IFRS 10 Consolidated Financial Statements (effective 1 January 2014)
- IFRS 11 Joint Arrangements (effective 1 January 2014)
- IFRS 12 Disclosure of Interests in Other Entities (effective 1 January 2014)
- IAS 27 (Revised) Separate Financial Statements (effective 1 January 2014)
- Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32 (effective 1 January 2014)
- Transition Guidance – Amendments to IFRS 10, IFRS 11, IFRS 12 (effective 1 January 2014)

## 2. Summary of significant accounting policies continued

### 2.15 Financial assets

The Group currently has loans and receivables recognised within the financial statements. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which they were acquired.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

A financial asset is derecognised only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for derecognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Company retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for derecognition if the Company transfers substantially all the risks and rewards of ownership of the asset, or if the Company neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset.

### 2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits together with other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Short-term deposits are defined as deposits with an initial maturity of three months or less.

### 2.17 Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instruments. The Group's financial liabilities comprise bank loans, and trade and other payables.

Financial liabilities categorised as at fair value through profit or loss are remeasured at each reporting date at fair value, with changes in fair value being recognised in the Group income statement. Items within this category relate to derivative financial instruments (interest rate swaps) and contingent consideration. All other financial liabilities are recorded at amortised cost using the effective interest method, with interest related charges recognised as an expense in finance cost in the Group income statement. Amortised cost liabilities are also initially recognised at fair value.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

### 2.18 Hire purchase leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Group, and hire purchase contracts, are capitalised in the statement of financial position and are depreciated over their useful lives. The capital element of future obligations under the leases and hire purchase contracts are included as liabilities in the statement of financial position.

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of lease obligation so as to achieve a constant rate of interest on the balance of the liability. Finance charges are charged directly against income.

## 3. Segmental information

### Revenue and segmental reporting

The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's Executive Directors. Operating segments for the year to 31 December 2014 were determined on the basis of the reporting presented at regular Board meetings of the Group which is by nature of customer and level of procurement advice provided. The segments comprise:

### The Corporate division ("Corporate")

This sector comprises the operations of Inspired Energy Solutions Limited and Direct Energy Purchasing Limited. The Corporate's core services are primarily in the review, analysis and negotiation of gas and electricity contracts on behalf of corporate clients. Additional services provided include Energy Review and Benchmarking, Negotiation and Bill Validation. The Group's Corporate division benefits from a market leading trading team, who actively focus on high volume customers, providing more complex, long-term energy frameworks based on agreed risk management strategies.

### The SME division (SME)

This sector comprises the operations of the Energisave, KWH and SBE. Within the SME division, the Group's energy consultants contact prospective SME clients to offer reduced tariffs and contracts based on the unique situation of the customer. Leads are generated and managed by the Group's internally generated, bespoke CRM and case management IT system. Tariffs are offered from a range of suppliers and the Group is actively working with new suppliers to increase the range of products available to SME clients.

### PLC costs

This comprises the costs of running the PLC, incorporating the cost of the Board, listing costs and other professional service costs such as audit, tax, legal and Group insurance.

| | 2014 | | | | 2013 | | | |
|---|---|---|---|---|---|---|---|---|
| | Corporate £ | SME £ | PLC costs £ | Total £ | Corporate £ | SME £ | PLC costs £ | Total £ |
| Revenue | 7,200,811 | 3,634,511 | — | 10,835,322 | 6,174,921 | 1,443,404 | — | 7,618,325 |
| Cost of sales | (460,503) | (1,851,180) | — | (2,311,683) | (340,117) | (669,174) | — | (1,009,291) |
| Gross profit | 6,740,308 | 1,783,331 | — | 8,523,639 | 5,834,804 | 774,230 | — | 6,609,034 |
| Administration expenses | (3,150,782) | (786,240) | (1,426,325) | (5,363,347) | (2,758,573) | (402,664) | (1,468,238) | (4,629,475) |
| Operating profit | 3,589,526 | 997,091 | (1,426,325) | 3,160,292 | 3,076,231 | 371,566 | (1,468,238) | 1,979,559 |
| Analysed as: | | | | | | | | |
| **EBITDA** | 4,012,219 | 1,155,422 | (611,413) | 4,556,228 | 3,274,977 | 440,276 | (166,573) | 3,548,680 |
| Depreciation | (110,802) | (5,996) | — | (116,798) | (45,857) | (4,000) | — | (49,857) |
| Amortisation | (92,317) | (152,335) | (276,450) | (521,102) | (67,889) | (64,710) | (815,867) | (948,466) |
| Share-based payments | — | — | (299,734) | (299,734) | — | — | (212,098) | (212,098) |
| Exceptional costs | (219,574) | — | (238,728) | (458,302) | (85,000) | — | (273,700) | (358,700) |
| | 3,589,526 | 997,091 | (1,426,325) | 3,160,292 | 3,076,231 | 371,566 | (1,468,238) | 1,979,559 |
| Finance expenditure | | | | (168,832) | | | | (224,004) |
| Other financial items | | | | (10,147) | | | | (9,743) |
| Profit before income tax | | | | 2,981,313 | | | | 1,745,812 |
| Total assets | 5,122,235 | 2,901,759 | 2,680,595 | 10,704,589 | 4,144,401 | 826,494 | 1,958,206 | 6,929,101 |
| Total liabilities | 1,587,214 | 337,358 | 4,533,483 | 6,458,055 | 681,865 | 47,972 | 4,640,118 | 5,369,955 |

## 4. Profit before income tax

Profit before income tax is attributable to the principal activity of the Group, which is carried on entirely.

| | 2014 £ | 2013 £ |
|---|---|---|
| Profit before income tax is stated after charging: | | |
| Amortisation of intangible assets | 521,102 | 948,466 |
| Depreciation: | | |
| – owned | 109,109 | 43,076 |
| – held under hire purchase | 7,689 | 6,781 |
| Operating lease rentals: | | |
| – buildings | 251,059 | 162,040 |
| Interest rate swap charge | 10,147 | 4,766 |
| Auditor’s remuneration: | | |
| Audit fees: | | |
| – fees payable for the audit of the Company’s annual accounts | 10,000 | 10,000 |
| – fees payable in respect of the audit of the Company’s subsidiaries, pursuant to legislation | 38,600 | 32,940 |
| Non-audit fees: | | |
| – fees payable for the provision of tax compliance services | 14,700 | 13,500 |
| Exceptional costs: | | |
| Fees associated with acquisition | 49,270 | — |
| Additional consideration in relation to acquisition* | 141,855 | 207,000 |
| Restructuring costs** | 267,177 | 151,700 |
| | 458,302 | 358,700 |

* Relates to the acquisition of Direct Energy Purchasing Limited in 2012 (note 17).

** Restructuring costs in the current year relate to costs incurred outside the course of normal business activity and therefore deemed exceptional. They relate to the relocation of Direct Energy Purchasing Limited and Inspired Energy (Ireland) Limited to the Inspired Energy PLC head office.

## 5. Finance expenditure

| | 2014 £ | 2013 £ |
|---|---|---|
| Interest payable on bank borrowings | 168,832 | 124,531 |
| Amortisation of debt issue costs | — | 99,473 |
| | 168,832 | 224,004 |

# NOTES TO THE GROUP FINANCIAL STATEMENTS
continued

## 6. Revenue

| | 2014 £ | 2013 £ |
|---|---|---|
| Rendering of services – commissions receivable | **10,835,322** | 7,618,325 |

The Group has earned commission payable by the following energy suppliers, which represent more than 10 per cent of the Group's revenues in each period:

| | Corporate £ | SME £ | 2014 £ | Corporate £ | SME £ | 2013 £ |
|---|---|---|---|---|---|---|
| Energy Supplier A | **461,975** | **1,302,516** | **1,764,491** | 2,025,092 | — | 2,025,092 |
| Energy Supplier B | **1,626,144** | **85,438** | **1,711,582** | 518,333 | 223,687 | 742,020 |
| Energy Supplier C | **1,178,449** | **24,121** | **1,202,570** | 572,294 | — | 572,294 |

All revenue has been earned in the UK.

## 7. Directors' remuneration

| | 2014 £ | 2013 £ |
|---|---|---|
| Aggregate emoluments | **568,328** | 494,383 |
| The emoluments of Directors disclosed above include the following in respect of the highest paid Director: | | |
| Directors' remuneration | **200,000** | 212,733 |

Paul Connor is the only Director to have an interest in the share options (2013: none) of the Company. No Directors received any pension contribution from the Group (2013: none).

Paul Connor was granted 1,500,000 EMI Share Options on 15 January 2014 subject to an exercise price of 8.75 pence (being the close mid-price of the shares on the day prior to the grant of the options and hence the market value of the shares subject to the options).

These options will become exercisable in four equal tranches on the following dates, subject to continuing employment at each exercise date:

(i) the date on which the Group publishes its audited accounts for the year ending 31 December 2014;

(ii) the date on which the Group publishes its interim accounts for the six months ending 30 June 2015;

(iii) the date on which the Group publishes its audited accounts for the year ending 31 December 2015; and

(iv) the date on which the Group publishes its interim accounts for the six months ending 30 June 2016.

Further information regarding Director's remuneration is provided in the Directors' remuneration report on pages 19 and 20.

## 8. Employee benefit expense

| | 2014 £ | 2013 £ |
|---|---|---|
| Wages and salaries | **3,535,226** | 2,375,680 |
| Social security costs | **378,904** | 262,266 |
| | **3,914,130** | 2,637,946 |
| | **No.** | No. |
| Average number of persons employed: | | |
| Management | **6** | 6 |
| Energy procurement services | **60** | 34 |
| Administration and finance | **37** | 26 |
| | **103** | 66 |

Key management personnel disclosure is contained within note 22.

## 9. Income tax expense

The income tax charge is based on the profit for the year and comprises:

| | 2014 £ | 2013 £ |
|---|---|---|
| **Current tax** | | |
| Current tax charge | 568,656 | 510,633 |
| Adjustments in respect of prior periods | 103,365 | 8,546 |
| | 672,021 | 519,179 |
| **Deferred tax** | | |
| Origination and reversal of temporary timing differences | (163,471) | (187,109) |
| Effect of tax rate change on opening balance | — | (7,608) |
| | (163,471) | (194,717) |
| **Total income tax charge** | 508,550 | 324,462 |
| Reconciliation of tax charge to accounting profit: | | |
| Profit on ordinary activities before taxation | 2,981,313 | 1,745,812 |
| Tax at UK income tax rate of 21.50% (2013: 23.25%) | 640,982 | 405,901 |
| Disallowable expenses | 109,723 | 113,161 |
| Share options | (248,766) | (203,146) |
| Movement of deferred tax not provided for | (96,754) | — |
| Effects of current period events on current tax prior period balances | 103,365 | 8,546 |
| **Total income tax charge** | 508,550 | 324,462 |

## 10. Earnings per share

The basic earnings per share is based on the net profit for the year attributable to ordinary equity holders divided by the weighted average number of ordinary shares outstanding during the year.

| | Year ended 31 December 2014 £ | Restated* Year ended 31 December 2013 £ |
|---|---|---|
| Profit attributable to equity holders of the Group | 2,472,763 | 1,421,350 |
| Consideration in relation to acquisition | 141,855 | 207,000 |
| Fees associated with acquisition | 49,270 | — |
| Restructuring costs | 267,177 | 151,700 |
| Amortisation of intangible assets | 521,102 | 948,466 |
| Deferred tax in respect of amortisation of intangible assets | (55,290) | (194,717) |
| Share-based payment costs | 299,734 | 212,098 |
| Adjusted profit attributable to owners of the Group | 3,696,611 | 2,745,897 |
| Weighted average number of ordinary shares in issue | 416,871,033 | 406,243,554 |
| Dilutive effect of share options | 18,324,125 | 20,226,136 |
| Diluted weighted average number of ordinary shares in issue | 435,195,158 | 426,469,690 |
| Basic earnings per share (pence) | 0.59 | 0.35 |
| Diluted earnings per share (pence) | 0.57 | 0.33 |
| Adjusted basic earnings per share (pence) | 0.89 | 0.68 |
| Adjusted diluted earnings per share (pence) | 0.85 | 0.64 |

* The restatement of the 2013 adjusted earnings per share is due to a clerical error. The impact of the restatement is to increase the adjusted profit attributable to owners of the Group by £42,916 and the adjusted basic/diluted earnings per share by 0.01 pence.

## 10. Earnings per share continued

The weighted average number of shares in issue for the basic and adjusted diluted earnings per share includes the dilutive effect of the share options in issue to senior staff of the Group.

Adjusted earnings per share represents the earnings per share, as adjusted to remove the effect of fees associated with acquisitions, restructuring costs, the amortisation of intangible assets and share-based payment costs which have been expensed to the Group income statement in the year. The adjustments to earnings per share have been disclosed to give a clear understanding of the Group's underlying trading performance.

## 11. Property, plant and equipment

| | Fixtures and fittings £ | Motor vehicles £ | Computer equipment £ | Leasehold improvements £ | Total £ |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| As at 1 January 2013 | 69,313 | 23,037 | 166,557 | 24,076 | 282,983 |
| Additions | 59,245 | 38,325 | 39,468 | 23,845 | 160,883 |
| Disposals | — | (23,036) | — | — | (23,036) |
| **At 31 December 2013** | **128,558** | **38,326** | **206,025** | **47,921** | **420,830** |
| Additions | 187,315 | — | 57,046 | 135,875 | 380,236 |
| **At 31 December 2014** | **315,873** | **38,326** | **263,071** | **183,796** | **801,066** |
| **Depreciation** | | | | | |
| As at 1 January 2013 | 17,120 | 8,544 | 56,952 | 2,101 | 84,717 |
| Charge for the year | 23,500 | 6,781 | 16,402 | 3,174 | 49,857 |
| Disposals | — | (10,536) | — | — | (10,536) |
| **At 31 December 2013** | **40,620** | **4,789** | **73,354** | **5,275** | **124,038** |
| Charge for the year | 57,466 | 7,689 | 38,319 | 13,324 | 116,798 |
| **At 31 December 2014** | **98,086** | **12,478** | **111,673** | **18,599** | **240,836** |
| **Net Book Value** | | | | | |
| **At 31 December 2014** | **217,787** | **25,848** | **151,398** | **165,197** | **560,230** |
| At 31 December 2013 | 87,938 | 33,537 | 132,671 | 42,646 | 296,792 |

Included within the net book value is £25,848 (31 December 2013: £33,537) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £7,689 (31 December 2013: £6,781). All assets held under hire purchase agreements relate to motor vehicles.

## 12. Intangible assets and goodwill

| | Computer software £ | Customer databases £ | Customer contracts £ | Goodwill £ | Total £ |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 January 2013 | 182,666 | — | 1,835,850 | 1,667,801 | 3,686,317 |
| Additions | 388,338 | — | — | — | 388,338 |
| **At 31 December 2013** | **571,004** | **—** | **1,835,850** | **1,667,801** | **4,074,655** |
| Reclassification | (161,800) | 161,800 | — | — | — |
| Additions | 273,199 | 354,215 | — | — | 627,414 |
| Acquisitions through business combinations | 272,500 | — | — | 407,938 | 680,438 |
| **At 31 December 2014** | **954,903** | **516,015** | **1,835,850** | **2,075,739** | **5,382,507** |
| **Amortisation** | | | | | |
| As at 1 January 2013 | 8,953 | — | 784,408 | — | 793,361 |
| Charge for the year | 132,599 | — | 815,867 | — | 948,466 |
| **At 31 December 2013** | **141,552** | **—** | **1,600,275** | **—** | **1,741,827** |
| Reclassification | (64,711) | 64,711 | — | — | — |
| Charge for the year | 133,194 | 152,333 | 235,575 | — | 521,102 |
| **At 31 December 2014** | **210,035** | **217,044** | **1,835,850** | **—** | **2,262,929** |
| **Net Book Value** | | | | | |
| **At 31 December 2014** | **744,868** | **298,971** | **—** | **2,075,739** | **3,119,578** |
| At 31 December 2013 | 429,452 | — | 235,575 | 1,667,801 | 2,332,828 |

### Annual test for impairment

The Group has three cash generating units (CGUs) being Inspired Energy Solutions Limited, Direct Energy Purchasing Limited and the SME division. The goodwill results from the acquisitions of Direct Energy Purchasing Limited, KWH Consulting Limited and Simply Business Energy Limited. The goodwill relating to KWH Consulting Limited and Simply Business Energy Limited has been allocated to the SME division CGU.

For the purpose of annual impairment testing, goodwill is allocated to the operating segments expected to benefit from the synergies of the business combinations in which the goodwill arises, as follows:

| | **2014 £** | 2013 £ |
|---|---|---|
| Direct Energy Purchasing Limited | **1,667,801** | 1,667,801 |
| SME division | **407,938** | — |
| | **2,075,739** | 1,667,801 |

The Group tests goodwill annually for impairment in accordance with IAS 36 Impairment of Assets, or more frequently if there is indication that the goodwill might be impaired.

The recoverable amounts of the CGU have been determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Directors covering the next five year period. The key assumptions in the value in use calculation are those regarding the discount rate, growth rate and expected changes to the selling prices, volumes and direct costs.

### Discount rates

The discount rate has been calculated using the Capital Asset Pricing Model (CAPM) which takes into account the required rate of return of the asset, market risk as well as the expected return of the market. The pre-tax discount rate of 10% is consistent with the rate of return expected by the market considering the CGU forecast cash flow amounts, timing and risk profile.

# NOTES TO THE GROUP FINANCIAL STATEMENTS
continued

## 12. Intangible assets and goodwill continued

### Cash flow assumptions

Revenues are based on current trading levels and future expected changes in the market. The revenue growth rate assumption of 6% (2013: 6%) per annum is considered reasonable and is consistent with past experience. Changes in direct costs of 6% (2013: 6%) per annum are based on historic trends.

Cash flows beyond the five year period have been extrapolated assuming no further growth. The Group considers that this is an appropriate but conservative growth rate based upon current rates of inflation, the Group's targeted growth rates and the rate of growth that the Directors believe to be achievable from the market.

The Directors do not believe that any reasonably possible changes in the value of the key assumptions noted above would cause the CGU carrying amount to exceed its recoverable amount.

## 13. Trade and other receivables

| | Group | | Company | |
|---|---|---|---|---|
| | **2014 £** | 2013 £ | **2014 £** | 2013 £ |
| Trade receivables | **1,019,616** | 678,172 | **—** | — |
| Other receivables | **3,238** | 23,689 | **70,009** | 50,394 |
| Prepayments | **356,759** | 589,756 | **16,543** | 12,169 |
| Accrued income | **4,820,270** | 2,077,383 | **—** | — |
| | **6,199,883** | 3,369,000 | **86,552** | 62,563 |

All the trade and other receivables were receivable under normal commercial terms. Accrued income has not been discounted as doing so would not result in a material adjustment to the financial statements.

The Group does not hold any collateral as security. Group debtor days were 39 days (31 December 2013: 64 days).

The ageing of trade receivables was as follows (£'000):

| | Not past due | 31-60 days | 61-90 days | Older | Total |
|---|---|---|---|---|---|
| **31 December 2014** | **831** | **127** | **18** | **44** | **1,020** |
| 31 December 2013 | 625 | 26 | 3 | 24 | 678 |

As at 31 December 2014, £188,825 (31 December 2013: £95,325) of the trade receivables had gone beyond their terms of 30 days. None of these assets are considered to be impaired and are stated at amortised cost which approximates to fair value.

## 14. Trade and other payables

| | Group | | Company | |
|---|---|---|---|---|
| | **2014 £** | 2013 £ | **2014 £** | 2013 £ |
| **Current** | | | | |
| Trade payables | **444,172** | 113,710 | **96,601** | 5,532 |
| Social security and other taxes | **357,889** | 287,732 | **—** | — |
| Accruals and deferred income | **81,112** | 296,667 | **—** | — |
| Amounts due under hire purchase agreements | **8,990** | 8,990 | **—** | — |
| | **892,163** | 707,099 | **96,601** | 5,532 |
| **Non-current** | | | | |
| Accruals and deferred income | **170,000** | 290,000 | **—** | — |
| Amounts due under hire purchase agreements | **14,235** | 23,225 | **—** | — |
| | **184,235** | 313,225 | **—** | — |

Trade payables are paid under normal commercial terms.

Amounts due under hire purchase agreements are secured on the related leased assets.

## 14. Trade and other payables continued

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

| | Current | | Non-current |
|---|---|---|---|
| | Within 6 months £ | 6–12 months £ | 1–5 years £ |
| **31 December 2014** | | | |
| Trade payables | **444,172** | **—** | **—** |
| Hire purchase obligations | **5,311** | **5,311** | **16,818** |
| Bank borrowings | **1,955,450** | **369,950** | **1,751,181** |
| Interest rate swaps | **—** | **—** | **14,913** |
| Deferred consideration | **50,000** | **—** | **300,000** |
| | **2,454,933** | **355,311** | **2,082,912** |
| **31 December 2013** | | | |
| Trade payables | 113,710 | — | — |
| Hire purchase obligations | 5,311 | 5,311 | 27,441 |
| Bank borrowings | 369,950 | 369,950 | 2,491,081 |
| Interest rate swaps | — | — | 4,766 |
| Contingent consideration | 608,145 | — | — |
| | 1,097,116 | 355,311 | 2,523,288 |

### Revolving loan facility

During the year, the Group extended its borrowing with Santander by drawing down £1.50 million of the committed revolving loan facility made available to the Group at the time of the re-financing in March 2013. The facility is reviewed on a quarterly basis.

### Hire purchase agreements

The fair value of current and non-current hire purchase agreements, based on a discounted cash flow analysis of future repayments based on current available borrowing terms and interest rates is £23,089 (2013: £31,071):

| | Minimum lease payments at 31 December 2014 £ | Interest at 31 December 2014 £ | Principal at 31 December 2014 £ | Minimum lease payments at 31 December 2013 £ | Interest at 31 December 2013 £ | Principal at 31 December 2013 £ |
|---|---|---|---|---|---|---|
| Hire purchase agreements | | | | | | |
| Less than one year | **10,622** | **1,632** | **8,990** | 10,622 | 1,632 | 8,990 |
| Between one and two years | **10,622** | **1,632** | **8,990** | 10,622 | 1,632 | 8,990 |
| Between two and five years | **6,196** | **951** | **5,245** | 16,819 | 2,584 | 14,235 |
| | **27,440** | **4,215** | **23,225** | 38,063 | 5,848 | 32,215 |

## 15. Deferred tax (asset)/liability

Deferred taxation is calculated at a tax rate of 20 per cent (2013: 20 per cent) and is set out below:

| | Group | | Company | |
|---|---|---|---|---|
| | **2014 £** | 2013 £ | **2014 £** | 2013 £ |
| Provision brought forward | **58,895** | 253,612 | **—** | 17,292 |
| Credited to income for the period | **(163,471)** | (194,717) | **—** | (17,292) |
| Movement arising from business combinations | **54,500** | — | **—** | — |
| (Asset)/provision carried forward | **(50,076)** | 58,895 | **—** | — |

# NOTES TO THE GROUP FINANCIAL STATEMENTS
continued

## 15. Deferred tax (asset)/liability continued

| | Group | | Company | |
|---|---|---|---|---|
| | **2014 £** | 2013 £ | **2014 £** | 2013 £ |
| Excess of taxation allowances over depreciation on all non-current assets | **11,780** | 11,780 | **–** | – |
| Share options | **(108,181)** | – | **–** | – |
| Temporary differences on intangible assets | **46,325** | 47,115 | **–** | – |
| | **(50,076)** | 58,895 | **–** | – |

Corporation tax for the year ended 31 December 2014 was calculated at 21.50 per cent of profits for the year. During the year ended 31 December 2013, as a result of the reduction in the UK corporation tax rate to 24 per cent from 26 per cent, corporation tax has been calculated at an effective rate of 24.5 per cent.

During the year ended 31 December 2013 a further reduction in the UK corporation tax rate to 20 per cent was substantively enacted into law and will be effective from 1 April 2015; the relevant deferred tax balances have been remeasured at this rate.

Deferred taxation at the period end is analysed as follows:

| | **2014 £** | 2013 £ |
|---|---|---|
| Deferred tax (asset)/liability | **(50,076)** | 58,895 |
| | **(50,076)** | 58,895 |

## 16. Bank borrowings

Bank borrowings are repayable as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2014 £** | 2013 £ | **2014 £** | 2013 £ |
| Within one year | **2,200,000** | 700,000 | **2,200,000** | 700,000 |
| One to two years | **700,000** | 700,000 | **700,000** | 700,000 |
| Two to five years | **956,746** | 1,656,746 | **956,746** | 1,656,746 |
| | **3,856,746** | 3,056,746 | **3,856,746** | 3,056,746 |

The above facility is for the principal sum of £5,000,000 (2013: £3,500,000).

On the 28 March 2013, the Group entered into a new facility agreement ("Facility") with Santander for £3.5 million term loan over five years. The Facility replaces the Group's previous facility of the same amount and carries an improved interest rate of 3 per cent over LIBOR (previously 4.2 per cent) and no ongoing monitoring fees. The previous facility was repaid to the sum of £3.0 million. At the time of the re-financing, the Group also entered into a revolving credit facility, also with Santander, for the sum of £1.5 million. During the year ended 31 December 2014, the Group drew down the full £1.5 million of the committed revolving credit facility.

Both facilities contain market standard covenants set at similar levels to the Group's previous arrangements.

The facility is to be repaid in full on or by 30 April 2018. The facility is to be repaid over time by a first instalment of £175,000 which was paid on 31 July 2013 and thereafter quarterly payments of £175,000 are due on each of 31 October, 31 January, 30 April and 31 July.

Sums due under the Facility agreement are secured by debentures and cross guarantees. It is a condition that interest rate hedging is to be put into place following drawdown of the Facility and the amount to be hedged is not less than 50 per cent of amount drawn down and the period of the hedge is to be not less than three years from the date of drawdown. On 28 March 2013, the Group hedged its loan position accordingly.

## 17. Financial instruments

The Group holds or issues financial instruments in order to achieve two main objectives, being:

(a) to finance its operations; and

(b) to manage its exposure to interest risk arising from its operations and from its sources of finance.

## 17. Financial instruments continued

Transactions in financial instruments result in the Group assuming or transferring to another party one or more of the financial risks described below.

### Credit risk

The Group monitors credit risk closely and considers that its current policies of credit checks meet its objectives of managing exposure to credit risk. Credit risk arises from cash and cash equivalents, deposits with banks as well as credit exposures to customers and energy suppliers, including outstanding receivables and committed transactions. For banks, only independently rated parties with a minimum rating of AA are accepted. Credit assessments are carried out when accepting new customers. Amounts shown in the statement of financial position best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

### Liquidity risk

The Group monitors its available cash resources and aims to keep credit funds available for operational strategic goals.

### Currency risk

The Group has no significant exposure to any foreign exchange rate risks.

### Fair values of financial assets and liabilities

The book value of financial instruments held or issued to finance the Group's operations are not materially different from the fair value of those instruments.

### 17.1 Capital risk management

The Group's main objective when managing capital is to generate returns to shareholders by investing in line with its approved investment strategy whilst safeguarding the Group's ability to continue as a going concern. The Group aims to maintain a strong credit rating and headroom whilst optimising return to shareholders through an appropriate balance of debt and equity funding. The Group manages its capital structure and makes adjustments to it with regard to the risks inherent in the business and in light of changes to economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may in the future issue new shares, raise additional debt finance, sell assets to reduce debt, adjust the amount of dividends paid to shareholders or return capital to shareholders.

Capital is managed by maximising retained profits. Working capital is managed in order to generate maximum conversion of these profits into cash and cash equivalents.

Capital includes share capital, share premium, merger relief reserve and retained earnings. There were no changes to the Group's approach to capital management during the year.

### 17.2 Significant accounting policies

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

### 17.3 Categories of financial instrument

Financial assets

| | Loans and receivables £ | Non-financial assets £ | Total £ |
|---|---|---|---|
| **31 December 2014** | | | |
| Trade receivables | 1,019,616 | — | 1,019,616 |
| Other receivables | 3,238 | — | 3,238 |
| Prepayments | — | 356,759 | 356,759 |
| Accrued income | 4,820,270 | — | 4,820,270 |
| Cash and cash equivalents | 774,822 | — | 774,822 |
| Current assets | 6,617,946 | 356,759 | 6,974,705 |

## 17. Financial instruments continued

### 17.3 Categories of financial instrument continued

Financial assets continued

| | Loans and receivables £ | Non-financial assets £ | Total £ |
|---|---|---|---|
| 31 December 2013 | | | |
| Trade receivables | 678,172 | — | 678,172 |
| Other receivables | 23,689 | — | 23,689 |
| Prepayments | — | 589,756 | 589,756 |
| Accrued income | 2,077,383 | — | 2,077,383 |
| Cash and cash equivalents | 930,481 | — | 930,481 |
| Current assets | 3,709,725 | 589,756 | 4,299,481 |

Financial liabilities

*Group*

| | Other liabilities (amortised cost) £ | Fair value through profit and loss £ | Liabilities not within scope of IAS 39 £ | Total £ |
|---|---|---|---|---|
| **31 December 2014** | | | | |
| Trade payables | **444,172** | **—** | **—** | **444,172** |
| Social security and other taxes | **—** | **—** | **357,889** | **357,889** |
| Accruals | **251,112** | **—** | **—** | **251,112** |
| Bank borrowings | **3,856,746** | **—** | **—** | **3,856,746** |
| Amounts due under hire purchase agreements | **—** | **—** | **23,225** | **23,225** |
| Current tax liability | **—** | **—** | **1,159,998** | **1,159,998** |
| Deferred consideration | **—** | **350,000** | **—** | **350,000** |
| Interest rate swap | **—** | **14,913** | **—** | **14,913** |
| | **4,552,030** | **364,913** | **1,541,112** | **6,458,055** |

| | Other liabilities (amortised cost) £ | Fair value through profit and loss £ | Liabilities not within scope of IAS 39 £ | Total £ |
|---|---|---|---|---|
| 31 December 2013 | | | | |
| Trade payables | 113,710 | — | — | 113,710 |
| Social security and other taxes | — | — | 287,732 | 287,732 |
| Accruals | 586,667 | — | — | 586,667 |
| Bank borrowings | 3,056,746 | — | — | 3,056,746 |
| Amounts due under hire purchase agreements | — | — | 32,215 | 32,215 |
| Current tax liability | — | — | 621,079 | 621,079 |
| Contingent consideration | — | 608,145 | — | 608,145 |
| Interest rate swap | — | 4,766 | — | 4,766 |
| Deferred tax liability | — | — | 58,895 | 58,895 |
| | 3,757,123 | 612,911 | 999,921 | 5,369,955 |

The carrying amount reflected above represents the Group's maximum exposure to credit risk for such loans and receivables.

Currently the Group does not undertake any significant transactions denominated in foreign currencies. The financial risk management objectives and policies are disclosed in the Group Directors' report.

## 17. Financial instruments continued

### 17.4 Interest rate sensitivity

The following table illustrates the sensitivity of the profit for the period and equity to a reasonably possible change in interest rates of 1 per cent with effect from the beginning of the period. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on the Group's borrowings and the Group's cash and cash equivalents held at the statement of financial position date. All other variables are held constant.

| | Year ended 31 December 2014 | | Year ended 31 December 2013 | |
|---|---|---|---|---|
| | +1% | -1% | +1% | -1% |
| Profit for the period | 30,819 | (30,819) | 21,262 | (21,262) |
| Equity | 30,819 | (30,819) | 21,262 | (21,262) |

### Fair value measurement

### Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

The following table shows the levels within the hierarchy of financial liabilities measured at fair value on a recurring basis at 31 December 2014 and 31 December 2013:

| 31 December 2014 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Interest rate swaps | — | 14,913 | — | 14,913 |
| Deferred consideration | — | — | 350,000 | 350,000 |
| **Total liabilities** | — | 14,913 | 350,000 | 364,913 |

| 31 December 2013 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Interest rate swaps | — | 4,766 | — | 4,766 |
| Contingent consideration | — | — | 608,145 | 608,145 |
| **Total liabilities** | — | 4,766 | 608,145 | 612,911 |

There were no transfers between Level 1 and Level 2 in 2014 or 2013.

### Measurement of fair value of financial instruments

The Group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The finance team reports directly to the Group Finance Director (FD).

The valuation techniques used for instruments categorised in Levels 2 and 3 are described below:

### Interest rate swaps (Level 2)

The Group's interest rate swap contracts are not traded in active markets. These have been fair valued using observable interest rates corresponding to the maturity of the contract, through direct confirmation from the provider of the contract.

### Deferred and contingent consideration (Level 3)

The fair value of deferred consideration at 31 December 2014 related to the acquisitions of KWH Consulting Limited and Simply Business Energy Limited and is estimated using a present value technique. The £350,000 fair value is measured by reference to the future cash outflows. As the final period of consideration is the year ended 31 March 2016, no adjustment has been made for risk or discounting at 31 December 2014 because the impact is immaterial. The cash outflows reflect the management's best estimate of amount payable.

The contingent consideration shown on the balance sheet at 31 December 2013, related to the DEP acquisition, was settled in full during the year.

## 17. Financial instruments continued

### **Measurement of fair value of financial instruments** continued

### Level 3 fair value measurements

During the year further consideration was paid to previous owners of DEP Limited due to exceeding performance targets set as part of the contingent consideration.

The reconciliation of the carrying amounts of financial instruments classified within Level 3 is as follows:

| | Contingent consideration | |
|---|---|---|
| | 2014 | 2013 |
| **Balance as at 1 January** | **608,145** | 1,501,145 |
| Arising on business combinations | **300,000** | — |
| Consideration paid | **(750,000)** | (1,100,000) |
| Losses recognised in profit or loss under: | | |
| – exceptional costs | **141,855** | 207,000 |
| Reclassified to deferred consideration | **(300,000)** | — |
| **Balance at 31 December** | **—** | 608,145 |
| **Total amount included in profit or loss for unrealised losses on Level 3 instruments under exceptional costs** | **141,855** | 207,000 |

Contingent consideration of £300,000 relating to the acquisition of Simply Business Energy Limited was reclassified to deferred consideration during the year as the performance targets relating to the consideration were waived prior to the year end. Further details are disclosed in note 21.

## 18. Share capital and reserves

### Group and Company

| | Number of shares No. | Share capital £ | Share premium £ | Merger relief reserve £ |
|---|---|---|---|---|
| **Issued and fully paid** | | | | |
| Ordinary shares of 0.125 pence each as at 1 January 2013 | 404,151,896 | 505,190 | 1,043,606 | 8,623,237 |
| Shares issued to satisfy exercise of share options on 26 March 2013 | 929,648 | 1,162 | 26,726 | — |
| Shares issued to satisfy exercise of share options on 20 August 2013 | 2,788,945 | 3,486 | 80,183 | — |
| Shares issued to satisfy exercise of share options on 24 September 2013 | 1,859,296 | 2,324 | 53,455 | — |
| Ordinary shares of 0.125 pence each as at 31 December 2013 | 409,729,735 | 512,162 | 1,203,970 | 8,623,237 |
| Shares issued on acquisition of subsidiary 18 March 2014 (note 21) | 2,000,000 | 2,500 | — | 302,500 |
| Shares issued to satisfy exercise of share options on 10 April 2014 | 1,150,000 | 1,437 | 39,481 | — |
| Shares issued to satisfy exercise of share options on 29 April 2014 | 1,451,222 | 1,814 | 46,410 | — |
| Shares issued to satisfy exercise of share options on 4 June 2014 | 2,777,547 | 3,472 | 95,311 | — |
| Shares issued to satisfy exercise of share options on 2 September 2014 | 6,573,242 | 8,217 | 210,856 | — |
| **Ordinary shares of 0.125 pence each as at 31 December 2014** | **423,681,746** | **529,602** | **1,596,028** | **8,925,737** |

On 18 March 2014, the Company issued 2,000,000 new ordinary shares of 0.125 pence each as partial consideration for the acquisition of Simply Business Energy Limited.

On 10 April 2014, the Company issued 1,150,000 new ordinary shares of 0.125 pence each to satisfy the exercise of options granted under the Group's 2011 Share Option Scheme at 3.0 and 4.25 pence each.

On 29 April 2014, the Company issued 1,451,222 new ordinary shares of 0.125 pence each to satisfy the exercise of options granted under the Group's 2011 Share Option Scheme at 3.0 and 4.25 pence each.

On 4 June 2014, the Company issued 2,777,547 new ordinary shares of 0.125 pence each to satisfy the exercise of options granted under the Group's 2011 Share Option Scheme at 3.0 and 4.25 pence each.

On 2 September 2014, the Company issued 6,573,242 new ordinary shares of 0.125 pence each to satisfy the exercise of options granted under the Group's 2011 Share Option Scheme at 3.0 and 4.25 pence each.

## 19. Share-based payments

### Approved share options

The Company has granted equity-settled share options to selected employees. The exercise price is the market value of the shares at the date of grant. The vesting periods are between 18 months and three years. If the options remain unexercised after a period of ten years from the date of grant the options expire.

Details of these share options outstanding during the year are as follows:

| | 2014 | | 2013 | |
|---|---|---|---|---|
| | Number of share options | Weighted average exercise price p | Number of share options | Weighted average exercise price p |
| Outstanding at beginning of the period | **24,015,081** | **3.57** | 29,592,970 | 3.46 |
| Lapsed during the year | **(1,859,297)** | **3.00** | — | — |
| Granted during the period | **10,050,000** | **9.37** | — | — |
| Exercised during the period | **(11,952,011)** | **3.40** | (5,577,889) | 3.00 |
| Outstanding at the end of the period | **20,253,773** | **6.60** | 24,015,081 | 3.57 |
| Exercisable at the end of the period | **4,203,769** | **3.33** | 3,718,597 | 3.00 |

The options outstanding at 31 December 2014 had a weighted average exercise price of 6.60 pence (2013: 3.57 pence) and a weighted average remaining contractual life of one year (2013: two years).

The weighted average share price at the date options exercised in the year was 13.08 pence.

The following summarises the approved share options:

| Date of grant | Subscription price | Expiry date | Number of shares for which rights are exercisable | Total number of shares for which rights are exercisable at the end of the period |
|---|---|---|---|---|
| **Approved share options** | | | | |
| 28 November 2011 | 3.00p | 28 November 2021 | 18,592,970 | 3,078,769 |
| 1 December 2012 | 4.25p | 1 December 2022 | 11,000,000 | 1,125,000 |
| 15 January 2014 | 8.75p | 18 March 2024 | 5,050,000 | — |
| 18 March 2014 | 10.00p | 15 January 2024 | 5,000,000 | — |

On 28 November 2011, options over 18,592,970 were granted to eight employees with an exercise price of 3.00 pence (being the placing price and the amount agreed with HMRC as being market value per share on the date of grant). These options became exercisable in four equal tranches on the following dates:

(i) the date on which the Company publishes its audited accounts for the year ending 31 December 2012;

(ii) the date on which the Company publishes its interim accounts for the six months ending 30 June 2013;

(iii) the date on which the Company publishes its audited accounts for the year ending 31 December 2013; and

(iv) the date on which the Company publishes its interim accounts for the six months ending 30 June 2014.

EMI Options were granted on 11 December 2012 subject to an exercise price of 4.25 pence per share (being the closing mid-price of the shares on the day prior to the grant of the options and hence the market value of the shares subject to the options) to 13 employees over a total of 11,000,000 shares in aggregate.

These options become exercisable in four equal tranches on the following dates:

(i) the date on which the Company publishes its audited accounts for the year ending 31 December 2013;

(ii) the date on which the Company publishes its interim accounts for the six months ending 30 June 2014;

(iii) the date on which the Company publishes its audited accounts for the year ending 31 December 2014; and

(iv) the date on which the Company publishes its interim accounts for the six months ending 30 June 2015.

## 19. Share-based payments continued

### Approved share options continued

EMI Options were granted on 15 January 2014 subject to an exercise price of 8.75 pence per share (being the closing mid-price of the shares on the day prior to the grant of the options and hence the market value of the shares subject to the options) to 13 employees over a total of 5,050,000 shares in aggregate.

These options become exercisable in four equal tranches on the following dates:

(i) the date on which the Group publishes its audited accounts for the year ending 31 December 2014;

(ii) the date on which the Group publishes its interim accounts for the six months ending 30 June 2015;

(iii) the date on which the Group publishes its audited accounts for the year ending 31 December 2015; and

(iv) the date on which the Group publishes its interim accounts for the six months ending 30 June 2016.

EMI Options were granted on 18 March 2014, following the acquisition of Simply Business Energy Limited subject to an exercise price of 10.00 pence per share to two employees over a total of 5,000,000 shares in aggregate. These are linked to future employment and therefore are not part of the business combination accounting.

These options become exercisable in two equal tranches on the following dates:

(i) the date on which the Group publishes its audited accounts for the year ending 31 December 2015; and

(ii) the date on which the Group publishes its audited accounts for the year ending 31 December 2016.

The fair value of options granted under the scheme is measured by use of the Black-Scholes model. The inputs into the Black-Scholes model are as follows:

| | 2014 |
|---|---|
| Share price (p) | 3.00–16.75 |
| Exercise price (p) | 3.00–10.00 |
| Expected volatility (%) | 41–45 |
| Risk-free rate (%) | 0.39–1.13 |
| Expected dividends (%) | 2 |

Expected volatility was based upon the historical volatility over the expected life of the schemes. The vesting period is based upon vesting restrictions, as detailed above.

The Group recognised total expenses of £299,734 (2013: £212,098) related to equity-settled share-based payment transactions in the period.

## 20. Operating lease commitments

The future minimum lease payments under operating lease agreements are:

| | 31 December 2014 £ | 31 December 2013 £ |
|---|---|---|
| Within one year | 277,549 | 155,146 |
| Within one to two years | 233,011 | 155,146 |
| Within five years | 699,033 | 334,008 |
| **Total** | 1,209,593 | 664,300 |

## 21. Business combinations

On 18 March 2014, the Group acquired 100 per cent of the issued share capital and voting rights of KWH Consulting Limited and Simply Business Energy Limited, companies based in the United Kingdom. The principal reason for the acquisitions was to strengthen the Group's existing service offering within the SME division.

### KWH Consulting Limited (KWH)

The acquisition of KWH was completed for a total consideration of £300,000. The initial £250,000 payment was satisfied by cash. In addition, £50,000 was deferred until 31 January 2015. The deferred consideration has been paid since the year end. The acquisition was financed by cash held by the Group. The details of the business combination are as follows:

### Recognised amounts of identifiable net assets

| | Book value £ | Provisional fair value adjustment £ | Provisional fair value £ |
|---|---|---|---|
| Accrued income | — | 268,336 | 268,336 |
| Trade and other receivables | 8,523 | — | 8,523 |
| Cash and cash equivalents | 25,638 | — | 25,638 |
| **Total assets** | 34,161 | 268,336 | 302,497 |
| Trade and other payables | 8,702 | — | 8,702 |
| Deferred tax liability | 11,358 | — | 11,358 |
| **Total liabilities** | 20,060 | — | 20,060 |
| Provisional fair value of identifiable net assets | | | 282,437 |
| Provisional goodwill | | | 17,563 |
| **Fair value of consideration transferred** | | | 300,000 |
| Satisfied by: | | | |
| – cash consideration paid | | | 250,000 |
| – deferred cash consideration payable | | | 50,000 |
| | | | 300,000 |
| Net cash outflow arising from business combinations: | | | |
| – cash consideration paid | | | 250,000 |
| – cash and cash equivalents acquired | | | (25,638) |
| Net cash outflow | | | 224,362 |

### Goodwill

The goodwill arising on this acquisition is attributable to SME market expertise and sector supplier network knowledge acquired through the management team of KWH Consulting Limited.

### Identifiable net assets

A provisional fair value exercise to determine the fair value of assets and liabilities acquired in relation to KWH Consulting Limited has been carried out. An adjustment has been made to align revenue recognition with SME division accounting policy for the Group.

The Group estimates costs incurred in relation to the transaction to be £24,635. These costs are included within exceptional costs in the Group income statement.

Disclosures have not been provided in respect of the trading performance of KWH since the date of acquisition, as the trading activity of KWH has been absorbed within the existing SME divisional performance and cannot be therefore separately identified.

# NOTES TO THE GROUP FINANCIAL STATEMENTS
continued

## 21. Business combinations continued

### Simply Business Energy Limited (SBE)

The acquisition of Simply Business Energy Limited was completed for a total consideration of up to £605,000. The initial £305,000 payment was satisfied by the issue of 2,000,000 ordinary shares of Inspired Energy PLC. In addition, two deferred payments to the value of £300,000 are to be satisfied by the issue of a variable number of further ordinary shares of Inspired Energy PLC due in 31 March 2015 and 31 March 2016. This represents fixed consideration and therefore has been recognised as a liability. The details of the business combination are as follows:

### Recognised amounts of identifiable net assets

| | Book value £ | Provisional fair value adjustment £ | Provisional fair value £ |
|---|---|---|---|
| Intangible assets | — | 272,500 | 272,500 |
| Trade and other receivables | 625 | — | 625 |
| Cash and cash equivalents | 793 | — | 793 |
| **Total assets** | 1,418 | 272,500 | 273,918 |
| Trade and other payables | 4,793 | — | 4,793 |
| Deferred tax liability | — | 54,500 | 54,500 |
| **Total liabilities** | 4,793 | 54,500 | 59,293 |
| Provisional fair value of identifiable net assets | | | 214,625 |
| Provisional goodwill | | | 390,375 |
| **Fair value of consideration transferred** | | | 605,000 |
| Satisfied by: | | | |
| – shares issued 18 March 2014 | | | 305,000 |
| – contingent shares to be issued | | | 300,000 |
| | | | 605,000 |

The Group paid no cash in consideration for SBE. It acquired net cash of £793 in completing the acquisition of Simply Business Energy Limited.

### Goodwill

The goodwill arising on this acquisition is attributed to SME market expertise and sector supplier network knowledge acquired through the management team of Simply Business Energy Limited.

### Identifiable net assets

In acquiring SBE, the Group acquired an automated, fully operational online quoting platform for SME customers looking to switch their energy supplier and it has agreements in place with the majority of energy suppliers within the SME sector. The web enabled capability has been implemented throughout the SME division. The fair value of the software development and cost intangible at acquisition was calculated to be £272,500 on a reproduction cost basis and is to be amortised on a straight line basis over five years in line with its expected economic life.

### Consideration transferred

The fair value of the shares issued in the acquisition of Simply Business Energy Limited has been determined with reference to the Company's share price on the acquisition date. The remaining £300,000 of consideration at the date of acquisition was contingent upon certain performance targets being achieved. These targets were subsequently waived prior to the year end and therefore the consideration became deferred. There was no adjustment in the fair value of the consideration as a result of the change.

The Group estimates costs incurred in relation to the transaction to be £24,635. These costs are included within exceptional costs in the Group income statement.

Disclosures have not been provided in respect of the trading performance of SBE since the date of acquisition, as the trading activity of SBE has been absorbed within the existing SME divisional performance and cannot be therefore separately identified.

## 22. Related party transactions

The Directors consider that there is no ultimate controlling party of the Group.

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of the transactions between the Group and other related parties are disclosed below:

Praetura Capital LLP, a company of which D Foreman and M Fletcher are Partners, invoiced £108,562 (2013: £160,843) for services provided, and expenses incurred, by Praetura Capital LLP in relation to services provided as Directors of Inspired Energy PLC. As at 31 December 2014, the balance outstanding was £10,320 (31 December 2013: £nil).

During the year, Praetura Capital LLP has provided the services of David Foreman as a part time Finance Director/Corporate Development Director for the Group. Praetura Capital is entitled to a basic fee of £60,000 per annum, exclusive of value added tax but no benefits are to be provided.

### Key management personnel remuneration

The remuneration of the key management personnel, the Directors, in the year ended 31 December 2014 is set out below:

| | Year ended 31 December 2014 £ | Year ended 31 December 2013 £ |
|---|---|---|
| Short-term employee benefits | | |
| Employee emoluments | **513,367** | 450,352 |
| Social security costs | **54,958** | 44,031 |
| Share-based payments | **15,656** | — |
| | **583,981** | 494,383 |

The aggregate dividends paid to Directors in the year were £345,305. The shareholdings of the Directors are disclosed within the Group Directors' Report on page 21.

# COMPANY BALANCE SHEET

As at 31 December 2014

| | Note | 2014 £ | 2013 £ |
|---|---|---|---|
| **Investments** | 24 | 17,507,796 | 16,436,684 |
| | | 17,507,796 | 16,436,684 |
| **Current assets** | | | |
| Debtors – other debtors | 13 | 86,552 | 62,563 |
| Amounts owed from subsidiary undertakings | | 654,419 | — |
| Cash and cash equivalents | | 6,641 | 24,199 |
| | | 747,612 | 86,762 |
| **Creditors: amounts falling due within one year** | | | |
| Trade creditors | 14 | 96,601 | 5,532 |
| Bank borrowings | 16 | 2,200,000 | 700,000 |
| Deferred consideration | | 50,000 | — |
| Other creditors | | 120,000 | 739,191 |
| | | 2,466,601 | 1,444,723 |
| **Net current liabilities** | | (1,718,989) | (1,357,961) |
| **Total assets less current liabilities** | | 15,788,807 | 15,078,723 |
| **Creditors: amounts falling due after more than one year** | | | |
| Bank borrowings | 16 | 1,656,746 | 2,356,746 |
| Amounts owed to subsidiary undertakings | | — | 2,103,533 |
| Deferred consideration | | 300,000 | — |
| Other creditors | | 170,000 | 290,000 |
| | | 2,126,746 | 4,750,279 |
| **Net assets** | | 13,662,061 | 10,328,444 |
| Share capital | 18 | 529,602 | 512,162 |
| Share premium account | 27 | 1,596,028 | 1,203,970 |
| Merger relief reserve | 27 | 8,925,737 | 8,623,237 |
| Share-based payment reserve | 27 | 457,728 | 291,616 |
| Retained profit/(loss) | 26 | 2,152,966 | (302,541) |
| **Shareholders' funds** | 28 | 13,662,061 | 10,328,444 |

The financial statements were approved and authorised for issue by the Board of Directors on 24 March 2015 and were signed on its behalf by:

**J Thornton**
**Director**

**P Connor**
**Director**

Company registration number: 07639760.

The notes on pages 55 and 56 form part of these Company financial statements.

# NOTES TO THE COMPANY BALANCE SHEET

## 23. Accounting policies (parent company)

### Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards (United Kingdom Generally Accepted Accounting Practice).

### Investments

Investments are stated at cost, less any provision for impairment. Cost is determined as the fair value of shares issued and the consideration paid.

### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangements, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

### Share-based payments

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date.

Share options are valued at the date of grant using the Black-Scholes option pricing model and are debited to investments over the vesting period of the award with a corresponding credit to the 'share-based payment reserve'.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options the proceeds received net of attributable transaction costs are credited to share capital and where appropriate share premium account.

### Merger relief reserve

Merger relief reserve represents the premium arising on shares issued as part or full consideration for acquisitions.

## 24. Investments

| | £ |
|---|---|
| **Cost and net book value** | |
| As at 31 December 2013 | 16,436,684 |
| Additions – acquisition of KWH (note 21) | 300,000 |
| Additions – acquisition of SBE (note 21) | 605,000 |
| Share-based payment charge | 166,112 |
| **As at 31 December 2014** | **17,507,796** |

The principal investment comprises shares at cost in the following companies, all of whom are registered in England and Wales. The principal activity of all companies is energy procurement and management.

| | Percentage held | Nominal value | Number of shares |
|---|---|---|---|
| Inspired Group Holdings Limited* | 100% | £1 | 200 |
| Inspired Energy Solutions Limited** | 100% | £1 | 142 |
| Direct Energy Purchasing Limited* | 100% | £1 | 2 |
| Energisave Online Limited* | 100% | £1 | 2 |
| Inspired Energy (Ireland) Limited*** | 100% | £1 | 2 |
| KWH Consulting Limited | 100% | £1 | 2 |
| Simply Business Energy Limited | 100% | £1 | 2 |
| Inspired 4U Limited | 100% | £1 | 2 |

* Directly held subsidiary.

** Indirectly held subsidiary.

*** Inspired Energy (Ireland) Limited is registered in the Republic of Ireland.

# NOTES TO THE COMPANY BALANCE SHEET
continued

## 25. Dividends paid

| | 2014 £ | 2013 £ |
|---|---|---|
| Dividends paid on equity capital – 0.19 per share (2013: 0.16) | **797,107** | 649,523 |

In 2013 and 2014, a technical issue arose regarding the following dividend distributions:

- final dividend of 0.11 pence per share paid on 5 July 2013;
- interim dividend of 0.05 pence per share paid on 31 October 2013; and
- final dividend of 0.12 pence per share paid on 4 July 2014.

When the Company paid these dividends, although the Company had sufficient distributable profits to pay that dividend at the payment date, relevant accounts (as defined in the Companies Act 2006 (the "Act")) showing the requisite level of distributable profits had inadvertently not been filed at Companies House, as required by the Act. As a result, these dividends were paid in technical infringement of the Act.

The Company may have technical claims against past and present shareholders who were recipients of the dividends above to recover the amount paid by way of the relevant dividend. Similarly, the Company may also have technical claims against past and present Directors. It is not the intention of the Company that any such claim should be made by the Company against either its shareholders or its Directors.

During 2014, the Group paid dividends of £797,107 (2013: 649,525) to its equity shareholders. This represents a payment of 0.18 pence per share (2013: 0.16 pence per share). Also during 2014, the Directors proposed the payment of a final dividend of £762,627 (0.18 pence per share). As the distribution of dividends by the Group requires approval at the shareholders' meeting, no liability in this respect is recognised in the 2014 consolidated financial statements.

## 26. Profit and loss account

| | 2014 £ |
|---|---|
| As at 31 December 2013 | **(302,541)** |
| Profit for the financial year | **3,252,614** |
| Dividend paid | **(797,107)** |
| **As at 31 December 2014** | **2,152,966** |

The Company has taken advantage of s408(4) of the Companies Act 2006 and has not included its own profit and loss account in these financial statements.

## 27. Reserves

| | Share-based payment reserve £ | Share premium account £ | Merger relief reserve £ |
|---|---|---|---|
| As at 31 December 2013 | 291,616 | 1,203,970 | 8,623,237 |
| Shares issued in the year | — | 392,058 | 302,500 |
| Movement on share-based payments | 166,112 | — | — |
| **As at 31 December 2014** | **457,728** | **1,596,028** | **8,925,737** |

## 28. Shareholders' funds

| | 2014 £ | 2013 £ |
|---|---|---|
| Profit for the financial year | **3,252,614** | 1,550,081 |
| Share-based payment | **166,112** | 79,518 |
| Shares issued in the period (net of expenses) | **711,998** | 167,336 |
| Dividends paid | **(797,107)** | (649,525) |
| Movement in shareholders' funds | **3,333,617** | 1,147,410 |
| Opening shareholders' funds | **10,328,444** | 9,181,034 |
| Closing shareholders' funds | **13,662,061** | 10,328,444 |

## 29. Related party transactions

The Company has taken advantage of the exemption in FRS 8 and has not disclosed transactions with wholly owned Group undertakings. Refer to note 22 for details of other related party transactions entered into in the year.

Inspired Energy PLC

Company number: 07639760

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS GIVEN that the annual general meeting of the above named company will be held at the offices of Gateley LLP, Ship Canal House, 98 King Street, Manchester M2 4WU on 16 June 2015 at 10 a.m. for the following purposes:

## Ordinary Business

1. To receive the Company's annual accounts for the financial year ended 31 December 2014 together with the last Directors' report, the last Directors' remuneration report and the auditor's report on those accounts.
2. To reappoint Grant Thornton UK LLP as auditors of the Company and to authorise the Directors to fix their remuneration.
3. To declare a final dividend to be paid on 3 July 2015 on the issued ordinary shares of £0.00125 each in the capital of the Company at the rate of 0.12 pence per ordinary share to the shareholders on the register of members of the Company as at the close of business on 5 June 2015.
4. To consider and, if thought fit, pass the following resolution which will be proposed as an ordinary resolution:

   "THAT, in substitution for all existing and unexercised authorities and powers, the Directors of the Company be generally and unconditionally authorised for the purpose of section 551 of the Companies Act 2006 (the "Act"):

   4.1 to exercise all or any of the powers of the Company to allot shares of the Company or to grant rights to subscribe for, or to convert any security into, shares of the Company (such shares and rights being together referred to as "Relevant Securities") up to an aggregate nominal value of £169,000 to such persons at such times and generally on such terms and conditions as the Directors may determine (subject always to the articles of association of the Company); and further

   4.2 to allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal value of £169,000 in connection with a rights issue or similar offer in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them subject only to such exclusions or other arrangements as the Directors of the Company may consider appropriate to deal with fractional entitlements or legal and practical difficulties under the laws of, or the requirements of any recognised regulatory body in, any territory,

   PROVIDED THAT this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next annual general meeting or on the date which is six months after the next accounting reference date of the Company (if earlier) save that the Directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require relevant securities or equity securities (as the case may be) to be allotted after the expiry of such period and the Directors of the Company may allot relevant securities or equity securities (as the case may be) in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired."

## Special Business

5. To consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

   "THAT, subject to and conditional upon the passing of the resolution numbered 4 in the notice convening the meeting at which this resolution was proposed and in substitution for all existing and unexercised authorities and powers, the Directors of the Company be empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred upon them by resolution 4 as if section 561 of the Act did not apply to any such allotment provided that this authority and power shall be limited to:

   5.1 the allotment of equity securities in connection with a rights issue or similar offer in favour of ordinary shareholders where the equity securities respectively attributable to the interest of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them subject only to such exclusions or other arrangements as the Directors of the Company may consider appropriate to deal with fractional entitlements or legal and practical difficulties under the laws of, or the requirements of any recognised regulatory body in, any territory; and

   5.2 the allotment (otherwise than pursuant to paragraph 5.1 above) of equity securities up to an aggregate nominal amount of £79,440, representing approximately 15 per cent of the current share capital of the Company,

   and shall expire at the conclusion of the next annual general meeting or on the date which is six months after the next accounting reference date of the Company (if earlier) save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred by this resolution had not expired."

By order of the Board

**Director**
**Date: 24 March 2015**

**Registered office:**
29 Progress Park
Orders Lane
Kirkham
Lancashire PR4 2TZ

# NOTICE OF ANNUAL GENERAL MEETING continued

## Notes:

1. A member of the Company entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to exercise any of his rights to attend, speak and vote at that meeting on his behalf. If a member appoints more than one proxy, each proxy must be entitled to exercise the rights attached to different shares. A proxy need not be a member of the Company.
2. A proxy may only be appointed using the procedures set out in these notes and the notes to the proxy form. To appoint a proxy, a member may complete, sign and date the enclosed proxy form and deposit it at the office of the Company's Registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by 10 a.m. on 12 June 2015. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be enclosed with the proxy form.
3. In order to revoke a proxy appointment, a member must sign and date a notice clearly stating his intention to revoke his proxy appointment and deposit it at the office of the Company's Registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by 10 a.m. on 12 June 2015.
4. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so in relation to the meeting, and any adjournment(s) of that meeting, by utilising the procedures described in the CREST Manual available at www.euroclear.com. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted so as to be received by the Company's Registrars, Equiniti at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA (whose CREST ID is RA19) by the latest time for receipt of proxy appointments specified in note 2 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
5. Any corporation which is a member of the Company may authorise one or more persons (who need not be a member of the Company) to attend, speak and vote at the meeting as the representative of that corporation. A certified copy of the Board resolution of the corporation appointing the relevant person as the representative of that corporation in connection with the meeting must be deposited at the office of the Company's Registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA prior to the commencement of the meeting.
6. The right to vote at the meeting shall be determined by reference to the register of members of the Company. Only those persons whose names are entered on the register of members of the Company at 6 p.m. on 12 June 2015 shall be entitled to attend and vote in respect of the number of shares registered in their names at that time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and/or vote at the meeting.
7. Under section 527 of the Act, members meeting the threshold requirement set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required, under section 527 of the Act, to publish on a website.

## Explanatory notes:

### Resolution 4 – Directors' power to allot relevant securities

Under section 551 of the Act, relevant securities may only be issued with the consent of the shareholders, unless the shareholders pass a resolution generally authorising the Directors to issue shares without further reference to the shareholders. This resolution authorises the general issue of shares up to an aggregate nominal value of £176,534, which is equal to 1/3 of the nominal value of the current ordinary share capital of the Company and a further issue of shares up to an aggregate nominal value of £176,534, which is equal to a further 1/3 of the nominal value of the current share capital of the Company for the purposes of fully pre-emptive rights issues. Such authorities will expire at the conclusion of the next annual general meeting of the Company or the date which is six months after the next accounting reference date of the Company (whichever is the earlier).

### Resolution 5 – Disapplication of pre-emption rights on equity issues for cash

Section 561 of the Act requires that a company issuing shares for cash must first offer them to existing shareholders following a statutory procedure which, in the case of a rights issue, may prove to be both costly and cumbersome. This resolution excludes that statutory procedure as far as rights issues are concerned. It also enables the Directors to allot shares up to an aggregate nominal value of £79,440, which is equal to 15 per cent of the nominal value of the current ordinary share capital of the Company, subject to resolution 3 being passed. The Directors believe that the limited powers provided by this resolution will maintain a desirable degree of flexibility. Unless previously revoked or varied, the disapplication will expire on the conclusion of the next annual general meeting of the Company or on the date which is six months after the next accounting reference date of the Company (whichever is the earlier).

Inspired Energy PLC

# PROXY FORM

Please inset full name and address

I/we............................................................................................................................

of ..............................................................................................................................

(please use block letters)

..................................................................................................................................

being Member(s) of INSPIRED ENERGY PLC (the "Company") appoint the chair of the annual general meeting or (see notes 1 and 2)

..................................................................................................................................

(please use block letters)

as my/our proxy to attend and vote for me/us and on my/our behalf at the annual general meeting of the Company to be held at Gateley LLP, Ship Canal House, 98 King Street, Manchester M2 4WU on 16 June 2015 at 10 a.m. and at any adjournment of that meeting.

I/we request such proxy to vote on the following resolutions in the manner specified below (see note 3).

| Resolutions | For | Against | Withheld |
|---|---|---|---|
| 1. To receive the annual accounts for the year ended 31 December 2014 | | | |
| 2. To reappoint Grant Thornton UK LLP as auditors | | | |
| 3. To declare a final dividend in respect of the financial year ended 31 December 2014 | | | |
| 4. To authorise the Directors generally to allot equity securities for the purposes of section 551 of the Companies Act 2006 | | | |
| 5. To authorise the Directors to allot equity securities otherwise than on a pre-emptive basis pursuant to section 570 of the Companies Act 2006 | | | |

Signature ........................................................................................ (see note 4)

Joint holders (if any) (see note 9)

Name: ........................................ Name: ........................................

Name: ........................................ Name: ........................................

Please cut along the dotted line

# PROXY FORM continued

## Notes:

1. If you wish to appoint someone other than the Chairman as your proxy, please insert his/her name and address, and strike out and initial the words "the Chairman of the annual general meeting or". A proxy need not be a Member of the Company. Appointing a proxy will not preclude you from personally attending and voting at the meeting (in substitution for your proxy vote) if you subsequently decide to do so. If no name is entered on this form, the return of this form, duly signed, will authorise the Chairman of the meeting to act as your proxy.
2. You may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please return a separate form in relation to each proxy, clearly indicating next to the name of each proxy the number and class of shares in respect of which he is appointed. If you submit more than one valid proxy appointment in respect of the same shares, the appointment received last before the latest time for the receipt of proxies will take precedence.
3. To direct your proxy how to vote on the resolutions, please mark the appropriate box next to each resolution with an "X". If no voting instruction is given, your proxy will vote or abstain from voting as he sees fit in his absolute discretion in relation to each resolution and any other matter which is put before the meeting.
4. In the case of:

   4.1 an individual, this proxy form must be signed by the relevant Member appointing the proxy or a duly appointed attorney on behalf of such Member; and

   4.2 a corporation, this proxy form must be executed under its common seal or signed on its behalf by an officer of the Company or a duly appointed attorney for the Company.
5. To appoint a proxy using this form, the form must be:

   5.1 completed and signed;

   5.2 sent or delivered to the Company's Registrars, Equiniti at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA; and

   5.3 received by the Company's Registrars no later than 48 hours (excluding non-working days) before the time appointed for the Meeting, or adjourned meeting, at which it is to be used.
6. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
7. Any alteration to this proxy form must be initialled by the person in whose hand it is signed or executed.
8. If, after returning a duly completed proxy form, you wish to revoke your proxy appointment you must sign and date a notice clearly stating your intention to revoke that proxy appointment and deposit it at the registered office of the Company before the time appointed for the Meeting.
9. In the case of joint holders:

   9.1 where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted; and

   9.2 the vote of the most senior holder who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of all other joint holders.

   Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
10. The right to vote at the meeting shall be determined by reference to the register of members of the Company. Only those persons whose names are entered on the register of members of the Company at 6 p.m. on 12 June 2015 shall be entitled to attend and vote in respect of the number of shares registered in their names at that time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and/or vote at the meeting.

# DIRECTORS, SECRETARY AND ADVISORS TO THE GROUP

## Directors

Robert (Bob) Holt (Non-Executive Chairman)
Michael (Mike) Fletcher (Non-Executive Director)
Janet Thornton (Managing Director)
David Foreman (Corporate Development Director)
Matthew Thornton (Sales Director)
Paul Connor (Finance Director)

## Company Secretary

**Gateley Secretaries Limited**

## Registered Office

29 Progress Park
Orders Lane
Kirkham
Lancashire PR4 2TZ

## Nominated Advisor

**Shore Capital and Corporate Limited**

Bond Street House
14 Clifford Street
London W1S 4JU

## Broker

**Shore Capital Stockbrokers Limited**

Bond Street House
14 Clifford Street
London W1S 4JU

## Auditors

**Grant Thornton UK LLP**

4 Hardman Square
Spinningfields
Manchester M3 3EB

## Registrars

**Equiniti**

Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

## Company website

www.inspiredplc.co.uk

## Financial PR

**Gable Communications Limited**

34 Lime Street
London EC3M 7AT

consultancy, design and production by
designportfolio
design-portfolio.co.uk @WeAre_DP
Design Portfolio plants ten trees for each of its corporate report projects, in association with Trees for Cities.

**INSPIRED ENERGY PLC**
29 Progress Park
Orders Lane
Kirkham
Preston PR4 2TZ
www.inspiredplc.co.uk