

Registered number: 02779199

**ASSOCIATION OF ELECTRICITY PRODUCERS LIMITED TRADING AS
ENERGY UK**

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



ASSOCIATION OF ELECTRICITY PRODUCERS LIMITED TRADING AS ENERGY UK

(A company limited by guarantee)

COMPANY INFORMATION

Directors	Lord J M P Hutton D G Alcock C J Elder A Gallacher T Glover C Harbord A Letts C McClay (appointed 10 December 2020) A Meagher (appointed 10 December 2020) P G O'Doherty M J Pibworth E Pinchbeck (appointed 16 September 2020) J B Sainsbury S Sambhi (resigned 18 September 2020) L N Shaw P Simon (appointed 16 September 2020) A P Spence A Ward
Registered number	02779199
Registered office	26 Finsbury Square London EC2A 1DS
Independent auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Bankers	Barclays Bank PLC London SW1Y 5AX
Solicitors	Gowling WLG 3 Waterhouse Square, 142 Holborn London EC1N 2SW

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ASSOCIATION OF ELECTRICITY PRODUCERS LIMITED TRADING AS ENERGY UK

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STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Business review, financial key performance indicators and future outlook

The deficit for the year was £250,137 (2019 deficit £299,266). The Directors consider the performance to be better than expected and the Association continues to have a strong reserves position. Energy UK receives income from member subscriptions, events, training courses and ring-fenced projects, of which the largest source of income is subscriptions.

As expected, restructuring within the sector directly impacted subscription income for 2020. Continued consolidation and commercial uncertainty in the energy market will continue to impact the results, although a new Business Plan and strategy will look at ways to mitigate this risk for the Association and build its value for members. Despite the decline compared to the prior year, the Association added income beyond what was forecast through both the growth of membership and through securing existing memberships, where they had been identified as at risk of leaving the Association.

Covid-19 did not have a material impact on the result as costs savings through homeworking compensated for loss of profits on events and training, and the loss of profits on our events and training was less severe than expected. Our events and training moved online and were well received; our improved ability to secure sponsorship from industry partners for online events mitigated to some extent fewer ticket sales. As part of the response to the Covid-19 pandemic Energy UK played a leading role in coordinating input from across the energy sector, including other trade Associations, and has highlighted the strategic influence and importance of the Association with government and within the sector.

Principal risks and uncertainties

The maintenance and growth of membership fees and keeping of sufficient reserves are the principal risks and uncertainties associated with the company. As a result of Covid-19 and market conditions, some smaller members of Energy UK exited the market this year and therefore stopped paying subscriptions. These were flagged by the Finance and Audit Committee, along with the Directors, in the risk register and do not have a material impact on the budget. Analysis suggests that no further members of Energy UK are at a direct risk of exiting the market due to short term market conditions. However, there remain risks to the Association from the overall challenging energy market, as it may impact Energy UK's principal funders willingness or ability to pay membership subscriptions, with a related uncertainty around Energy UK continuing to deliver good value to its members. As mitigation, a new Business Plan is being developed by the Energy UK Board to ensure the Association remains strategically relevant and financially robust, and it is planned to be implemented across 2021 and 2022.

Requirements of the members

The company is a trade body and as such provides services to, and acts as a representative of, its members. The Board have started a review to ensure the Association is focussed on the key strategic issues facing the energy sector as it transforms for the net zero economy and as a consequence of the ongoing innovation in energy technologies and services, whilst ensuring customers receive excellent service levels at fair prices. This year, Covid-19 pandemic has highlighted the importance of Energy UK, for supporting the sector in moments of critical uncertainty, and of our ability to act as an intermediary between Government and the energy sector.

Changes to law and regulations

In 2019, the UK government passed into law the net zero legislation, to reduce the UK's net emissions of greenhouse gases by 100% (net) relative to 1990 levels by 2050. This delivery of this ambition requires a transformation in the production and use of energy, in multiple parts of the economy, and the movement of a significant amount of private capital into establishing new clean energy technologies and new energy services. We can expect a significant shift in the regulatory environment and markets to drive net zero, and the need for the industry to work collectively to deliver the ambition; there is a strong role for industrial trade bodies in supporting and representing their sectors through the transition.

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The UK's future relationship with the European Union has also driven activity previously; in 2021, we will pursue the implementation of the energy provisions in the new Trade and Cooperation Agreement. The first Energy White Paper since the 2012 Energy Bill was published by Government at the end of 2020, with a raft of further policy announcements expected in 2021, this will drive significant activity for both Energy UK and our members. Lastly, there has been regulatory change around the pandemic which we can expect to continue, with further potential changes that may impact both Energy UK and our members as we return to normal – such as around testing policy in workplaces, or flexible working. In terms of managing the impacts of the business on our ways of working at Energy UK, we have already taken steps to both comply with legislation and implement best practise in terms of managing staff wellbeing, flexible working, and occupational health as people work from home; the impact of the pandemic on the industry at large will remain a significant part of our policy and engagement work programmes.

Financial risk management

The reserves of Energy UK are now £2,105,667 (2018: £2,355,802) which the Directors feel is more than is required for the size and nature of the organisation and would be sufficient to settle any potential future wind-up costs. The size of the reserve fund means that Energy UK is in a well-resourced position to manage any drop in revenue. The reserve fund also gives us a stable platform for the development and introduction of a revised Business Plan in 2021 that is seeking to ensure the Association is financially robust and strategically relevant in the changing energy market environment. We maintain a regularly updated risk register with appropriate mitigation. This Business Plan and other financial risk management, is conducted with the oversight of the Energy UK directors, the Energy UK Board, and the Board's Financial and Audit Committee.

Members are required to give 12 months' notice if they wish to cancel membership giving time to manage any loss of income, and the Energy UK Board will look at appropriate transition arrangements for any change in fees for 2022 and beyond. The organisation is mainly funded by its members which requires all members, as well as the company's Directors, to collectively provide sufficient funding for the organisation to meet its costs and therefore to continue as a going concern, whether through subscriptions, events, or other programmes.

This report was approved by the board on 15th April 2021 and signed on its behalf.



E Pinchbeck
Director

ASSOCIATION OF ELECTRICITY PRODUCERS LIMITED TRADING AS ENERGY UK
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Directors

The directors who served during the year and subsequently were:

Lord J M P Hutton
D G Alcock
C J Elder
A Gallacher
T Glover
C Harbord
A Letts
C McClay (appointed 10 December 2020)
A Meagher (appointed 10 December 2020)
P G O'Doherty
M J Pibworth
E Pinchbeck (appointed 16 September 2020)
J B Sainsbury
S Sambhi (resigned 18 September 2020)
L N Shaw
P Simon (appointed 16 September 2020)
A P Spence
A Ward

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable 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 are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Qualifying third party indemnity provisions

The company has provided qualifying third party indemnity provisions in respect of the board of directors which were in force during the period and at the date of this report.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the 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 Company's auditor is aware of that information.

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 15th April 2021 and signed on its behalf.



E Pinchbeck
Director

ASSOCIATION OF ELECTRICITY PRODUCERS LIMITED TRADING AS ENERGY UK

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSOCIATION OF ELECTRICITY
PRODUCERS LIMITED TRADING AS ENERGY UK**

Opinion

We have audited the financial statements of Association of Electricity Producers Limited trading as Energy UK for the year ended 31 December 2020 which comprise Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSOCIATION OF ELECTRICITY PRODUCERS LIMITED TRADING AS ENERGY UK (CONTINUED)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge¹ and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSOCIATION OF ELECTRICITY
PRODUCERS LIMITED TRADING AS ENERGY UK (CONTINUED)**

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the company for fraud.

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of ring fenced project and subscription income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Board of Directors about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tina Allison
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

ASSOCIATION OF ELECTRICITY PRODUCERS LIMITED TRADING AS ENERGY UK
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover	4	5,002,129	6,163,353
Administrative expenses		(5,257,712)	(5,880,323)
Operating profit	5	(255,583)	283,030
Interest receivable and similar income	9	7,316	20,298
Profit before tax		(248,267)	303,328
Tax charge on profit/(loss)	10	(1,870)	(4,060)
Profit/(Loss) for the financial year		<u>(250,137)</u>	<u>299,268</u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019: £NIL).

The notes on pages 12 to 22 form part of these financial statements.

ASSOCIATION OF ELECTRICITY PRODUCERS LIMITED TRADING AS ENERGY UK

(A company limited by guarantee)
REGISTERED NUMBER:02779199

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	115,069	171,548
Current assets			
Debtors: amounts falling due within one year	12	1,519,964	506,016
Short term deposits		1,524,078	1,286,469
Cash at bank and in hand	13	1,558,232	1,572,690
		<u>4,602,274</u>	<u>3,365,175</u>
Creditors: amounts falling due within one year	14	(2,611,676)	(1,059,392)
Net current assets		<u>1,990,598</u>	<u>2,305,783</u>
Total assets less current liabilities		<u>2,105,667</u>	<u>2,477,331</u>
Provisions for liabilities			
Provisions	16	-	(121,527)
Net assets		<u>2,105,667</u>	<u>2,355,804</u>
Capital and reserves			
Profit and loss account		2,105,667	2,355,804
		<u>2,105,667</u>	<u>2,355,804</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



E Pinchbeck
Director
Date: 15th April 2021

The notes on pages 12 to 22 form part of these financial statements.

ASSOCIATION OF ELECTRICITY PRODUCERS LIMITED TRADING AS ENERGY UK
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Profit and loss account	Total equity
	£	£
At 1 January 2020	2,355,804	2,355,804
Profit for the year	(250,137)	(250,137)
Total comprehensive profit for the year	(250,137)	(250,137)
At 31 December 2020	<u>2,105,667</u>	<u>2,105,667</u>

The notes on pages 12 to 22 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Profit and loss account	Total equity
	£	£
At 1 January 2019	2,056,536	2,056,536
Profit for the year	299,266	299,266
Total comprehensive profit for the year	299,266	299,266
At 31 December 2019	<u>2,355,802</u>	<u>2,355,802</u>

The notes on pages 12 to 22 form part of these financial statements.

ASSOCIATION OF ELECTRICITY PRODUCERS LIMITED TRADING AS ENERGY UK

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SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Association of Electricity Producers Limited trading as Energy UK is a company whose liability is limited by guarantee, which is incorporated in England and Wales. Registered number: 02779199. Its registered head office is located 26 Finsbury Square, London, England, EC2A 1DS.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The company has sufficient working capital as a result of the contingency reserves it holds at the Balance Sheet date. The company receives the majority of its income from its members' subscriptions. Any member wishing to withdraw from membership is required to provide 12 months' notice to the company which allows adequate time for the company to make any adjustments required to its operational budget. The directors prepare annual budgets and forecasts in order to assess whether the company has sufficient liquidity to meet its liabilities as they fall due. If there should be an unexpected downturn in income the Directors are confident that expenditure could be suitably controlled so that it does not have an adverse effect on the cash flow of the company. The COVID-19 pandemic has not had a significant impact on the company's operations but the Directors are conscious of the need to keep the position carefully monitored. Having regard to the above, the directors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue represents the amount derived from member subscriptions to the Association and other sales and services provided, stated net of value added tax. Revenue is recognised on a straight line basis over the life of the subscription agreement (usually a year). Where the Association enters into projects, revenue is recognised in line with costs incurred in the period.

Income related to events, training and sponsorship are recognised when the Association is legally entitled to income and the amount can be quantified with reasonable certainty.

2.3 Interest income

Interest income is recognised in the Income and Expenditure Account using the effective interest method.

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**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2.4 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Income and Expenditure Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds

2.5 Taxation

Current corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to income and expenditure account during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- Over the life of the lease
Fixtures and fittings	- 4 years or over the life of the lease
Computer equipment	- 3-4 years or over the life of the lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income and Expenditure account.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2.8 Short term deposits

Short term deposits comprises cash deposits with financial institutions not repayable without penalty on notice of less than 95 days.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

In relation to dilapidations the expected total obligation to return the site to the required condition is recognised at the point in time the lease is agreed. These additional costs are included in the cost of the leasehold as capitalised and recognised on the balance sheet.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

All financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently re-measured where applicable at amortised cost.

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**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgments and estimates. The items included in the financial statements where these judgments and estimates have been included the dilapidations provision. At each reporting date, management recognise a provision based on the estimated future costs to restore the Finsbury Square offices into the state required by the lease. The accuracy of the estimation of the office dilapidation depends on the negotiations of the cost of work, this is based on the survey performed at the time of occupation of the premises.

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Subscription income	3,669,754	4,193,998
Events and sponsorship	107,147	215,495
Ring fenced projects	979,413	1,573,935
Government and other income	43,871	76,854
Other operating income	201,944	103,071
	<u>5,002,129</u>	<u>6,163,353</u>

All turnover arose within the United Kingdom.

5. Operating profit/loss

The operating profit/loss is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	<u>42,568</u>	<u>45,815</u>

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**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Auditor's remuneration

Fees payable to the Company's auditor and its associates in respect of:

Fees payable to the Company's auditor for the audit of the Company's annual financial statements	15,350	<i>15,000</i>
Non audit services - corporation tax compliance	900	<i>900</i>
Non audit services – VAT services	3,270	<i>-</i>
Accounts preparation	1,050	<i>1,000</i>
	<u>20,570</u>	<i><u>17,900</u></i>

All non-audit fees are reviewed and authorised by the Association before acceptance to ensure that they are consistent with the Association's policy on the allotment of non-audit work to the auditor.

7. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2020	<i>2019</i>
	No.	<i>No.</i>
Administrative staff	<u>44</u>	<i><u>44</u></i>
	2020	<i>2019</i>
	£	<i>£</i>
Wages and salaries	2,601,998	<i>2,513,798</i>
Social security costs	285,950	<i>272,470</i>
Cost of defined contribution scheme	118,755	<i>109,863</i>
	<u>3,006,703</u>	<i><u>2,896,131</u></i>

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Directors' remuneration

	2020 £	2019 £
Directors' emoluments	428,489	369,252
Company contributions to defined contribution pension schemes	20,450	10,000
	448,939	379,252

During the year retirement benefits were accruing to 1 director (2019 - 1) in respect of defined contribution pension schemes.

The highest paid director received total remuneration of £243,901 (2019 - £289,252).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,750 (2019 - £10,000).

The directors of the Association are also considered to be the key management personnel.

8. Interest receivable

	2020 £	2019 £
Bank interest receivable	7,316	20,298

9. Taxation

	2020 £	2019 £
Current tax:		
Corporation tax on profits for the year	1,870	4,060
Taxation on profit on ordinary activities	1,870	4,060

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10. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Leasehold Improvements £	Total £
Cost or valuation				
At 1 January 2020	68,009	51,295	121,527	240,831
Additions	-	6,525	-	6,525
Disposals	(31,148)	(3,876)	-	(35,024)
At 31 December 2020	<u>36,861</u>	<u>53,944</u>	<u>121,527</u>	<u>212,332</u>
Depreciation				
At 1 January 2020	11,573	29,954	27,756	69,283
Charge for the year on owned assets	6,107	18,457	18,004	42,568
Disposals	(1,923)	(12,667)	-	(14,590)
At 31 December 2020	<u>15,757</u>	<u>35,744</u>	<u>45,760</u>	<u>97,261</u>
Net book value				
At 31 December 2020	<u>21,104</u>	<u>18,200</u>	<u>75,767</u>	<u>115,071</u>
At 31 December 2019	<u>21,341</u>	<u>56,436</u>	<u>93,771</u>	<u>171,548</u>

Included in Leasehold Improvements are costs of £121,527 (2019: £121,527) and depreciation of £18,004 (2019: £18,004) for the dilapidations costs expected to be incurred at the end of the Finsbury Square lease.

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11. Debtors

	2020 £	2019 £
Trade debtors	1,109,960	56,972
Other debtors	194,115	199,305
Prepayments and accrued income	215,889	249,738
	<u>1,519,964</u>	<u>506,015</u>

An impairment loss of £Nil (2019: £Nil) was recognised against trade debtors, there has been £Nil impact on the income and expenditure account (2019: £Nil).

12. Short term deposits

	2020 £	2019 £
Short term cash deposits	<u>1,524,078</u>	<u>1,286,469</u>

13. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>1,558,231</u>	<u>1,572,690</u>

14. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	282,206	143,692
Corporation tax	1,091	3,115
Other taxation and social security	894,174	168,696
Accruals and deferred income	1,312,678	743,889
Provision	121,527	-
	<u>2,611,676</u>	<u>1,059,392</u>

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15. Financial instruments

	2020 £	2019 £
Financial assets		
Cash and cash equivalents (including short term deposits)	3,082,309	2,859,159
Financial assets measured at amortised cost	1,304,075	282,593
	4,386,384	3,141,752

Financial liabilities

Financial liabilities measured at amortised cost	(491,299)	(626,199)
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Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

16. Provisions

	Dilapidation provision £
At 1 January 2020	121,527
Charged to profit or loss	-
Utilised in year	-
At 31 December 2020	121,527

17. Pension commitments

The Company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £118,755 (2019: £109,863). There was £Nil outstanding at the year end (2019: £833).

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18. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Within 1 year	321,977	321,977
Later than 1 year and not later than 5 years	62,046	1,599,669
Later than 5 years	<u> -</u>	<u>318,987</u>

19. Related party transactions

The following directors were appointed to the Board during the year as representatives of companies which are members of the Association.

D G Alcock - International Power
C J Elder - Intergen (UK)
A Gallacher – Energy UK
T Glover – RWE
C Harbord – Drax
J Hutton – Chairman of Energy UK
A Letts – Ovo Energy
C McClay – Sembcorp Utilities UK
A Meagher - Bulb
P O'Doherty – ESB
M Pibworth – SSE
E Pinchbeck – Energy UK
J Sainsbury – The Natural Power Company
L Shaw – National Grid
P Simon – Centrica
A Spence – EDF Energy
A Ward – Scottish Power

Income for the above companies invoiced in the period totalled £3,786,953 (2019: £3,760,533).

There were no payments made to these companies during the period.

At the balance sheet date the total of the debtors' ledger balances relating to the companies listed above was £913,539 (2019: £14,615).

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20. Controlling party

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

The directors consider the members as a body (as listed in note 19) of the company are the ultimate controlling party.