



Yü Energy Retail Limited
Segmental Statement
for the Year Ended 31 December 2023

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Operational and Management Reporting Structure



Company name

Nature of business

Yü Group Plc	Ultimate parent and holding company of the group
Yü Energy Holding Limited	Gas shipping services and holding company
Yü Energy Retail Limited	Supply of energy to businesses

All entities within the Group are 100% owned by the direct parent company and ultimate parent company Yü Group Plc.

Yü Energy Retail Limited
Segmental Statement

For the year ended December 2023



#ID		Unit	Electricity supply		Gas supply		Aggregate supply business
			Domestic	Non Domestic	Domestic	Non Domestic	
1	Total revenue	£M	0.0	340.4	0.0	116.7	457.1
1.1	Revenue from sale of electricity and gas	£M	0.0	340.4	0.0	116.7	457.1
1.2	Other revenues	£M	0.0	0.0	0.0	0.0	0.0
2	Total operating costs	£M	0.0	301.2	0.0	117.0	418.2
2.1	Direct fuel costs	£M	0.0	155.2	0.0	83.5	238.7
	Direct costs:	£M					
2.2	Transportation costs	£M	0.0	51.7	0.0	17.6	69.3
2.3	Environmental and social obligations costs	£M	0.0	42.7	0.0	0.0	42.7
2.4	Other direct costs	£M	0.0	11.0	0.0	3.8	14.8
2.5	Indirect costs	£M	0.0	40.6	0.0	12.1	52.7
3	EBITDA	£M	0.0	39.2	0.0	(0.3)	38.9
3.1	Depreciation and amortisation	£M	0.0	0.7	0.0	0.3	1.0
3.2	EBIT	£M	0.0	38.5	0.0	(0.6)	37.9
4	Volume	TWh, m therms	0.0	0.9	0.0	42.5	
5	WACO E/G	£/MWh, p/th	0.0	165.7	0.0	196.1	
6	Meter Points	000s	0.0	22.3	0.0	13.5	35.7

Basis of Preparation

This CSS and associated regulatory information are presented in accordance with Standard Licence Condition 16B of the Electricity Generation Licence and Standard Condition 19A of the Electricity and Gas Supply Licences (“the Conditions”).

The CSS and supporting information have been prepared by the directors of Yü Energy Retail Limited (the “Company”) in accordance with the Conditions stated above and the associated guidelines issued by Ofgem. The CSS has been derived from, and reconciled to, the Annual Report and Accounts of Yü Energy Retail Limited for the year ended 31 December 2023, which have been prepared in accordance with UK accounting standards (UK Generally Accepted Accounting Practice), including FRS 101 “Reduced Disclosure Framework”. The financial statements have been prepared on a historical cost basis and in accordance with the Companies Act 2006.

In the preparation of the Segmental Statement, the Company does not have materially significant non-domestic supply so has not been reported separately. Segments in the CSS have been determined in accordance with Ofgem Guidelines, which differ from the requirements of IFRS 8.

Revenue

The Company enters into contracts to supply gas and electricity to its customers. Revenue represents the fair value of the consideration received or receivable from the sale of actual and estimated gas and electricity supplied during the year, net of discounts, climate change levy and value-added tax. Revenue is recognised on consumption, being the point at which the transfer of the goods or services to the customer takes place and based on an assessment of the extent to which performance obligations have been achieved.

Due to the nature of the energy supply industry and its reliance with some traditional (non-smart) meter types upon estimated meter readings, gas and electricity revenue includes the directors’ best estimate of differences between estimated sales and billed sales. The Company makes estimates of customer consumption based on available industry data, and seasonal usage curves that have been estimated from industry available historical actual usage data, as appropriate for each site supplied by the Company.

Direct fuel costs

Direct fuel costs represent the cost of wholesale electricity and gas procured to supply customers, costs relating to traded forward contracts plus imbalance costs. Gas supply results also include costs related to Unidentified Gas (UIG).

Transportation costs

Transportation costs include electricity network costs (DUoS, TNUoS), gas transportation costs and system balancing costs (BSUoS).

Environmental and social obligation costs

Environmental and social obligation costs include costs relating to the Renewable Obligation (RO) scheme, the Feed in Tariff (FiT) scheme, Contracts for Difference, Capacity Market charges, Assistance for Areas with High Electricity Distribution Costs (AAHEDC) and Renewable Energy

Guaranteed of Origin (REGO) costs. All these costs relate to electricity supply so no allocation between fuels is necessary.

Other direct costs

Other direct costs include costs related to the sale of gas and electricity contracts through third party intermediaries (TPIs) which are amortised over the life of customer contracts.

Indirect costs

Indirect costs relate to the Company's own internal operating costs including sales and marketing costs, bad debt and debt collection, costs to serve, customer service, support services, IT, staffing costs, Group costs that are applicable to the Retail entity, billing and all meter costs. Where it is not possible to allocate these costs directly to a particular fuel category (electricity / gas), they are allocated based on percentage split according to revenue generated from each segment.

EBITDA

Earnings before interest, tax, depreciation and amortisation. It is calculated by subtracting total operating costs from total revenue and excluded exceptional items.

Depreciation and amortisation

Depreciation and amortisation costs are calculated on a straight-line basis over the estimated operational lives of the capitalised assets. Costs are allocated to segments based on the revenue split of these segments.

EBIT

EBIT represents earnings before interest and tax and is calculated by subtracting depreciation and amortisation from EBITDA. It excludes exceptional items.

Volume

Volume represents electricity measured in TWh and gas measured in millions of therms supplied to customers and recorded at the meter point level (i.e. supplied under BSC net of losses).

WACO E/G

WACO E/G is direct fuel costs (2.1 above) divided by the volume (4 above). It represents the average cost of electricity (in £ / MWh) or gas (in p/therm) incurred to supply customers.

Meter points

Meter points represent the average number of gas and electricity meter points supplied during the reporting year. The average has been calculated by summing the month end meter point numbers and dividing by 12.

Hedging

The business routinely sells fixed price contracts over a 12 month to 36 month period. Such contracts include commodity assumptions based on forward market prices. In order to mitigate the risks in relation to movement in commodities, the business enters into forward contracts to purchase the energy in standard wholesale contract blocks which, when traded to more granular time periods, will enable effective hedging of its position with customers.

Where customers are supplied under an Out-of-Contract or Deemed product, which provides for greater customer freedom to move to another product, hedging for expected customer volumes occurs in line with expected customer behaviour.

Whilst the energy purchased forward is not capable of a 100% effective hedge (due, for example, to standard wholesale contracts not being of a suitably granular period, or due to inherent volume risks between the customers forecasted and actual energy consumption), the business uses historic analysis and risk parameters to hedge its position. The basis on which either Yu Energy or the customer bears volume risk is specific to the product type.

All trading activities are for the company's own use. The volume purchased shall be utilised to settle liabilities to match customer usage requirements only and will therefore not be settled in cash.

Reconciliation of CSS Revenue and EBIT

Revenue per CSS	£457.1m
Revenue per YU Energy Retail Ltd Annual Report	£457.1m
EBIT per CSS	£37.9m
EBIT per YU Energy Retail Ltd Annual Report	£37.9m