

Gas and Power Limited

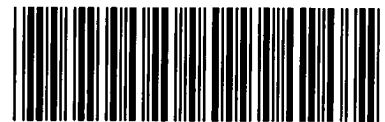
(formerly Rose Energy Supply Limited)

Unaudited annual report and financial statements

Registered number 09735925

10 months ending 30 June 2018

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COMPANIES HOUSE

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Directors' report

Principal activities

The principal activity of Gas and Power Limited is the supply of electricity and gas to domestic and small business customers in the United Kingdom.

Proposed dividend

The directors do not recommend the payment of a dividend (2017: nil).

Directors

The directors who held office during the year were as follows:

C Ritchie
EA Slater
D Park
M Cook
JCD Turner (appointed 25 January 2018)

The following director was appointed post year end:

AD Stiff (appointed 14 September 2018)

Employees

The monthly average number of employees for the period was 10.

Small companies exemption

In preparing this report the directors have taken advantage of the small companies exemption provided by sections 381-383 and section 415A of the Companies Act 2006 ("the Act").

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

Strategic report

The company was exempt by virtue of section 414B (as incorporated by the Act by the Strategic Report and Directors' Report Regulations 2014) and section 417(1) of the Act from the requirements to prepare a Strategic Report.

Future developments

Since the period end Gas and Power Limited has acquired more customers and has increased employee numbers across all areas of the business.

By order of the board



EA Slater
Director
Bowcliffe Hall, Bramham, Wetherby, West Yorkshire,
England, LS23 6LP

28 March 2019

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Profit and Loss Account
for year 10 months ended 30 June 2018

	<i>Note</i>	10 months ending 30 June 2018	Year ended 31 August 2017
		£	£
Turnover		105,169	-
Cost of sales		154,427	-
		<hr/>	<hr/>
Gross loss		(49,258)	-
Administrative expenses		1,402,264	81,798
		<hr/>	<hr/>
Operating loss before taxation	2	(1,451,522)	(81,798)
Tax on loss	5	-	-
		<hr/>	<hr/>
Loss for the financial year		(1,451,522)	(81,798)
		<hr/> <hr/>	<hr/> <hr/>

The results for the year relate to continuing operations.

Balance Sheet
at 30 June 2018

	<i>Note</i>	30 June 2018		31 August 2017	
		£	£	£	£
Fixed assets					
Intangible assets	6		103,077		106,643
Tangible assets	7		223,752		9,072
			<u>326,829</u>		<u>115,715</u>
Current assets					
Debtors	8	267,635		1,088	
Cash at bank and in hand		15,598		1	
			<u>283,233</u>		<u>1,089</u>
Creditors: amounts falling due within one year	9	<u>1,210,649</u>		<u>198,601</u>	
Net current (liabilities) / assets			(927,416)		(197,512)
Total assets less current liabilities			<u>(600,587)</u>		<u>(81,797)</u>
Creditors: amounts falling due in more than one year	10		715,863		
Net (liabilities) / assets			<u>(1,316,450)</u>		<u>(81,797)</u>
Capital and reserves					
Called up share capital	11		363		1
Share premium			216,507		-
Profit and loss account			(1,533,320)		(81,798)
Shareholders' funds			<u>(1,316,450)</u>		<u>(81,797)</u>

For the period ending 30 June 2018, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors on 28 March 2019 and were signed on its behalf by:



EA Slater

Director

Company registered number: 9735925

Notes

(forming part of the financial statements)

1 Accounting policies

Gas and Power Limited (the “Company”) is a private company incorporated, domiciled and registered in England in the UK. The registered number is 09735925 and the registered address is Bowcliffe Hall, Bramham, Wetherby, West Yorkshire, England, LS23 6LP.

These financial statements were prepared in accordance with section 1A of the Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The company has net current liabilities of £927,416 (2017: £197,512)

The company has prepared forecasts and projections detailing the working capital requirements to support this growth in activity covering a period greater than 12 months from the approval of these accounts. During this period the company is reliant upon the financial support of Bayford and Co and its beneficial owner J Turner. J Turner has provided assurance that he will make such funds available as are necessary to support this growth over the 12 months from the approval of these accounts.

1.3 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company’s own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company’s own equity instruments or is a derivative that will be settled by the company’s exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company’s own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Notes *(continued)*

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.5 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- computer hardware - 3 years
- computer software - 5 years
- furniture and fittings - 5 years
- improvements to leasehold property – in line with lease term

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.6 *Intangible assets, goodwill and negative goodwill*

Other intangible assets

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- capitalised development costs - 25 years

The capitalised development costs are associated with creating the infrastructure for the gas and electricity supply licence and are estimated to have a useful life of 25 years.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that an intangible asset may be impaired.

1.7 *Impairment excluding stocks, and deferred tax assets*

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective

interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.8 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.9 Expenses

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable, finance expenses on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.10 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain

Notes (continued)

types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Notes (continued)

2 Expenses and auditor's remuneration

Auditor's remuneration:

	10 months ending 30 June 2018 £	Year ended 31 August 2017 £
Audit of these financial statements	-	4,000
	-	4,000

3 Staff numbers and costs

The monthly average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	10 months ending 30 June 2018	Year ended 31 August 2017
Management	3	1
Staff	7	-
	10	1

The aggregate payroll costs of these persons were as follows:

	10 months ending 30 June 2018 £	Year ended 31 August 2017 £
Wages and salaries	440,975	59,226
Social security costs	51,679	7,235
Pension costs	18,421	-
	511,075	66,461

4 Directors' remuneration

	10 months ending 30 June 2018 £	Year ended 31 August 2017 £
Directors' remuneration	153,333	36,633
	153,333	36,633

Notes (continued)

5 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	10 months ending 30 June 2018	Year ended 31 August 2017
	£	£
<i>Current tax</i>		
Current tax on income for the period	-	-
	<hr/>	<hr/>
Total current tax	-	-

Reconciliation of effective tax rate

	10 months ending 30 June 2018	Year ended 31 August 2017
	£	£
Profit for the year	(1,451,522)	(81,798)
Total tax expense	-	-
	<hr/>	<hr/>
Profit excluding taxation	(1,451,522)	(81,798)
Tax using the UK corporation tax rate of 19.58%	(284,208)	(16,016)
Deferred tax asset not recognised	284,208	16,016
	<hr/>	<hr/>
Total tax expense included in profit or loss	-	-
	<hr/>	<hr/>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2016) were substantively enacted on 2 July 2013. In the Budget on 8 July 2016, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly.

Notes *(continued)*

6 Intangible assets

	Development costs	Total
	£	£
Cost		
Balance at 1 September 2017	107,000	107,000
Additions	-	-
	<hr/>	<hr/>
Balance at 30 June 2018	107,000	107,000
	<hr/> <hr/>	<hr/> <hr/>
Amortisation and impairment		
Balance at 1 September 2017	357	357
Amortisation for the year	3,566	3,566
	<hr/>	<hr/>
Balance at 30 June 2018	<u>3,923</u>	<u>3,923</u>
	<hr/> <hr/>	<hr/> <hr/>
Net book value		
At 1 September 2017	106,643	106,643
	<hr/> <hr/>	<hr/> <hr/>
At 30 June 2018	<u>103,077</u>	<u>103,077</u>

Development costs represent the set-up costs associated with acquiring a licence to become an electricity and gas supplier in the UK. The costs are being amortised over a period of 25 years.

7 Tangible fixed assets

	Computer hardware	Computer software	Furniture & Fittings	Improv to leasehold	Investments	Total
	£	£	£	£	£	£
Cost						
Balance at 1 September 2017	9,251	-	-	-	-	9,251
Acquisitions	29,007	200,000	16,697	3,802	1	249,507
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2018	38,258	200,000	16,697	3,802	1	258,758
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation and impairment						
Balance at 1 September 2017	179	-	-	-	-	179
Depreciation charge for the year	8,714	23,333	1,948	832	-	34,827
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2018	8,893	23,333	1,948	832	-	35,006
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value						
At 1 September 2017	9,072	-	-	-	-	9,072
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 30 June 2018	<u>29,365</u>	<u>176,667</u>	<u>14,749</u>	<u>2,970</u>	<u>1</u>	<u>223,752</u>

Notes (continued)

8 Debtors

	30 June 2018 £	31 August 2017 £
Customer debit balances	10,694	-
Provision for bad debts	<u>(1,575)</u>	-
Net customer debit balances	9,119	-
Security deposits	11,127	-
Prepayments	147,899	-
VAT	99,490	1,088
	<u>267,635</u>	<u>1,088</u>

9 Creditors: amounts falling due within one year

	30 June 2018 £	31 August 2017 £
Customer credit balances	133,938	-
Trade creditors	65,185	-
Accruals and deferred income	260,314	4,419
Employee leave provision	15,066	-
Climate change levy	230	-
Renewable obligation	11,196	-
Feed in tariff	2,646	-
Amounts owed to group undertakings	722,074	194,182
	<u>1,210,649</u>	<u>198,601</u>

10 Creditors: amounts falling due in more than one year

	30 June 2018 £	31 August 2017 £
Shareholder loans	715,863	-
	<u>715,863</u>	<u>-</u>

11 Capital and reserves

Share capital

	30 June 2018 £	31 August 2017 £
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1 each	363	1
	<u>363</u>	<u>1</u>

Notes *(continued)*

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

12 Related parties

	30 June 2018 £	31 August 2017 £
Amounts due to related parties:		
Bayford & Co Limited	722,074	194,182
	<hr/>	<hr/>
	722,074	194,182
	<hr/> <hr/>	<hr/> <hr/>

13 Ultimate controlling party

The Company is controlled by JCD Turner through his direct shareholding and through his shareholding in Bayford & Co Limited.