

REGISTERED NUMBER: 06895776 (England and Wales)

Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 March 2016

for

Loco2 Energy Limited

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Loco2 Energy Limited (Registered number: 06895776)

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for the Year Ended 31 March 2016

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Loco2 Energy Limited

Company Information
for the Year Ended 31 March 2016

DIRECTORS:

Dr A R Middleton
Mrs P A Middleton

REGISTERED OFFICE:

Barkhill House
Shire Lane
Chorleywood
Hertfordshire
WD3 5NT

REGISTERED NUMBER:

06895776 (England and Wales)

AUDITORS:

Lee Accounting Services Limited
Trading as Lee & Co
Chartered Accountants & Statutory Auditors
26 High Street
Rickmansworth
Hertfordshire
WD3 1ER

Loco2 Energy Limited (Registered number: 06895776)

Group Strategic Report
for the Year Ended 31 March 2016

The directors present their strategic report of the company and the group for the year ended 31 March 2016.

The 2015-16 year has been a year of continued development of Loco2 Energy. It is our second full year of existence as an independent retail business operating within all aspects of the UK electricity and Gas markets. The company entered and began to develop its Gas retail business for the first time and continued to build and invest in its customer base and business infrastructure. The company produced a creditable financial performance considering its stage of development and the market volatility seen during the year. The Gross profit turned out to be £1.98m compared to £1.41m last year with the gross margin reducing slightly to 16%. This represents an increase of 40% on last year. The size of the business measured as turnover increased from £8.5m to £12.1m an increase of 42%.

REVIEW OF BUSINESS

The Group has continued to develop its strategy of building Loco2 into a Renewable or 'green' Energy provider. The introduction of Gas into the portfolio has significantly increased the potential customer base and this has followed through into a significant increase in customer numbers to approximately 12,000 at year end. Since the year end this has increased to about 16,000. This represents a growth of 33% on 2015. The purchase strategy has focussed on 100% Renewable supply and Loco2 remains one of the few genuine Renewable suppliers. The embedded generation provides numerous additional benefits to the supply portfolio but is offset to a certain extent by the volatility of intermittent generators in a year which saw electricity prices fall by 40% at one stage. This price collapse has had a significant impact on our profitability this year.

PRINCIPAL RISKS AND UNCERTAINTIES

The electricity market continues to evolve with the political elite in a state of turmoil following the public voting against continued membership of the European Union. The government had previously reduced sustainability and carbon reduction from first priority to the third ranking of the energy trilemma but recent wholesale changes in government personnel could change this priority again. Market developments are being led by considerable technical change in information technology and the introduction of numerous new entrants into the market. Sales channels are changing with uncertain outcomes which could be beneficial to those companies that adapt to the change. Big Six and National Grid lobbying is reaching new heights as their entire survival is being brought into question whilst government response has been inconsistent. There are numerous 'Good' ideas being proposed to government from diverse sources many having entirely different visions of how the market will evolve. Decisions will need to be taken by Government in the coming year with uncertain outcomes.

The energy markets themselves send contradictory signals. The UK is clearly short of electricity generating capacity especially controlled capacity and the UK is now importing large quantities of Natural Gas however electricity and gas prices have continued to follow international Oil prices through a dramatic slump followed by partial recovery. It remains unclear where the future course of UK gas and electricity prices will go in the next few years.

FINANCIAL PERFORMANCE

The company has continued to grow throughout the year and turnover reached £12.1m an increase of 42% over 2015. Gross margin was £1.98m a 40% improvement over last years £1.41m whilst EBITDA in 2016 was £265k which is a very creditable performance for our second year. These numbers reflect continued investment in marketing as well as staff and systems infrastructure. Staff numbers have now reached 43 and we are covering all aspects of a fully fledged retail business whilst our CRM system Gentrak is slowly becoming a real asset to the business as new modifications continue to improve its functionality. The cost base continues to rise with the additional customer base and operating costs including depreciation and amortisation reached £1.88m giving a profit before tax of £102k.

Loco2 Energy Limited (Registered number: 06895776)

Group Strategic Report
for the Year Ended 31 March 2016

FUTURE DEVELOPMENTS

We have now established Loco2 as an independent supply business in Gas and Electricity . We now need to scale our operations to leverage our cost base. We anticipate further expansion in customer numbers and in particular natural gas over the next 12 months. We will also begin to make tentative investments into the implementation of Nexus the new gas system and Smart meters as well as fulfilling the requirements of the new supply market rules.

ON BEHALF OF THE BOARD:


.....

Mrs P A Middleton - Director

Date: 23/11/2016.....

Loco2 Energy Limited (Registered number: 06895776)

Report of the Directors
for the Year Ended 31 March 2016

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2016.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2015 to the date of this report.

Dr A R Middleton
Mrs P A Middleton

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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). 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 the group and of the profit or loss of the 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;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Lee Accounting Services Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mrs P A Middleton - Director

Date: 23/11/2016

Report of the Independent Auditors to the Members of
Loco2 Energy Limited

We have audited the financial statements of Loco2 Energy Limited for the year ended 31 March 2016 on pages seven to twenty two. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 March 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

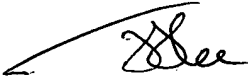
In our opinion the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of
Loco2 Energy Limited

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.



John David Lee BA FCA (Senior Statutory Auditor)
for and on behalf of Lee Accounting Services Limited
Trading as Lee & Co
Chartered Accountants & Statutory Auditors
26 High Street
Rickmansworth
Hertfordshire
WD3 1ER

Date:9/12/14.....

Consolidated Statement of Comprehensive Income
for the Year Ended 31 March 2016

	Notes	31.3.16 £	31.3.15 £
TURNOVER	3	12,100,307	8,522,973
Cost of sales		10,117,721	7,109,439
GROSS PROFIT		1,982,586	1,413,534
Administrative expenses		1,880,372	1,436,022
OPERATING PROFIT/(LOSS)	5	102,214	(22,488)
Interest receivable and similar income		-	116
		102,214	(22,372)
Interest payable and similar charges	6	236	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		101,978	(22,372)
Tax on profit/(loss) on ordinary activities	7	20,396	(4,475)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		81,582	(17,897)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		81,582	(17,897)
Profit/(loss) attributable to: Owners of the parent		81,582	(17,897)
Total comprehensive income attributable to: Owners of the parent		81,582	(17,897)

The notes form part of these financial statements

Consolidated Statement of Financial Position
31 March 2016

	Notes	31.3.16		31.3.15	
		£	£	£	£
FIXED ASSETS					
Intangible assets	9		419,012		182,636
Tangible assets	10		45,868		30,224
Investments	11		-		-
			<u>464,880</u>		<u>212,860</u>
CURRENT ASSETS					
Stocks	12	702,626		364,209	
Debtors	13	3,633,376		2,171,245	
Cash at bank and in hand		251,700		798,380	
		<u>4,587,702</u>		<u>3,333,834</u>	
CREDITORS					
Amounts falling due within one year	14	4,811,262		3,390,598	
NET CURRENT LIABILITIES					
			<u>(223,560)</u>		<u>(56,764)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>241,320</u>		<u>156,096</u>
PROVISIONS FOR LIABILITIES					
	16		3,642		-
NET ASSETS					
			<u><u>237,678</u></u>		<u><u>156,096</u></u>
CAPITAL AND RESERVES					
Called up share capital	17		2		2
Retained earnings	18		237,676		156,094
SHAREHOLDERS' FUNDS					
			<u><u>237,678</u></u>		<u><u>156,096</u></u>

The financial statements were approved by the Board of Directors on 23rd March 2016 and were signed on its behalf by:


.....
Dr A R Middleton - Director

Company Statement of Financial Position
31 March 2016

	Notes	31.3.16		31.3.15	
		£	£	£	£
FIXED ASSETS					
Intangible assets	9		419,012		182,636
Tangible assets	10		45,868		30,224
Investments	11		1		1
			<u>464,881</u>		<u>212,861</u>
CURRENT ASSETS					
Stocks	12	702,626		364,209	
Debtors	13	3,396,382		1,985,286	
Cash at bank and in hand		159,495		744,099	
		<u>4,258,503</u>		<u>3,093,594</u>	
CREDITORS					
Amounts falling due within one year	14	4,482,064		3,150,359	
NET CURRENT LIABILITIES			<u>(223,561)</u>		<u>(56,765)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>241,320</u>		<u>156,096</u>
PROVISIONS FOR LIABILITIES	16		3,642		-
NET ASSETS			<u><u>237,678</u></u>		<u><u>156,096</u></u>
CAPITAL AND RESERVES					
Called up share capital	17		2		2
Retained earnings	18		237,676		156,094
SHAREHOLDERS' FUNDS			<u><u>237,678</u></u>		<u><u>156,096</u></u>

The financial statements were approved by the Board of Directors on its behalf by:

23rd March 2016 and were signed on



 Dr A R Middleton - Director

Loco2 Energy Limited (Registered number: 06895776)

Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2016

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2014	2	173,991	173,993
Changes in equity			
Total comprehensive income	-	(17,897)	(17,897)
Balance at 31 March 2015	<u>2</u>	<u>156,094</u>	<u>156,096</u>
Changes in equity			
Total comprehensive income	-	81,582	81,582
Balance at 31 March 2016	<u><u>2</u></u>	<u><u>237,676</u></u>	<u><u>237,678</u></u>

The notes form part of these financial statements

Loco2 Energy Limited (Registered number: 06895776)

Company Statement of Changes in Equity
for the Year Ended 31 March 2016

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2014	2	173,991	173,993
Changes in equity			
Total comprehensive income	-	(17,897)	(17,897)
Balance at 31 March 2015	<u>2</u>	<u>156,094</u>	<u>156,096</u>
Changes in equity			
Total comprehensive income	-	81,582	81,582
Balance at 31 March 2016	<u>2</u>	<u>237,676</u>	<u>237,678</u>

The notes form part of these financial statements

Loco2 Energy Limited (Registered number: 06895776)

Consolidated Statement of Cash Flows
for the Year Ended 31 March 2016

	Notes	31.3.16 £	31.3.15 £
Cash flows from operating activities			
Cash generated from operations	22	(131,888)	374,032
Interest paid		(236)	-
Tax paid		-	(42,642)
Net cash from operating activities		<u>(132,124)</u>	<u>331,390</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(380,829)	(190,609)
Purchase of tangible fixed assets		(33,727)	(26,290)
Interest received		-	116
Net cash from investing activities		<u>(414,556)</u>	<u>(216,783)</u>
(Decrease)/increase in cash and cash equivalents		<u>(546,680)</u>	<u>114,607</u>
Cash and cash equivalents at beginning of year	23	798,380	683,773
Cash and cash equivalents at end of year	23	<u>251,700</u>	<u>798,380</u>

The notes form part of these financial statements

Notes to the Consolidated Financial Statements
for the Year Ended 31 March 2016

1. **STATUTORY INFORMATION**

Loco2 Energy Limited is a private company, limited by shares and registered in England and Wales. The parent company's registered number, registered office and business address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

This is the first year in which the financial statements have been prepared under FRS 102. There are no transitional adjustments to disclose.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Patents and licences

Patents and licences are valued at historic cost less provisions for amortisation or impairment in value. Patents and licences are being amortised over their useful life of five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 50% on cost and 25% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Stock represent group holdings in Renewable Obligation Certificates ("ROCs") that the group is required to hold in order to meet regulatory requirements.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

2. **ACCOUNTING POLICIES - continued**

Financial instruments

Investments in subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operational policies of an entity so as to obtain benefits from its activities. All subsidiaries are controlled by virtue of the company holding (either directly or indirectly) more than 51% of the issued share capital.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

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.

Creditors

Short term trade creditors are measured at the transaction price. Loans payable 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.

3. **TURNOVER**

The turnover and profit (2015 - loss) before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	31.3.16	31.3.15
	£	£
Domestic electricity	7,476,033	5,810,386
Commercial electricity	3,202,466	2,473,018
Trading income	864,178	175,745
Domestic gas	499,046	-
Other fees & charges	58,584	63,824
	<u>12,100,307</u>	<u>8,522,973</u>

4. **STAFF COSTS**

	31.3.16	31.3.15
	£	£
Wages and salaries	992,638	718,225
Social security costs	75,049	63,094
Other pension costs	28,574	33,520
	<u>1,096,261</u>	<u>814,839</u>

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

	31.3.16	31.3.15
Senior management	5	4
Administration	23	18
Customer service	8	4
Finance	4	3
	<u>40</u>	<u>29</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

5. OPERATING PROFIT/(LOSS)

The operating profit (2015 - operating loss) is stated after charging:

	31.3.16	31.3.15
	£	£
Other operating leases	9,347	-
Depreciation - owned assets	18,083	14,829
Patents and licences amortisation	144,453	48,172
Auditors' remuneration	5,250	4,250
Auditors' remuneration for non audit work	6,750	5,750
	<u> </u>	<u> </u>
Directors' remuneration	-	-
	<u> </u>	<u> </u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	31.3.16	31.3.15
	£	£
Bank interest	236	-
	<u> </u>	<u> </u>

7. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	31.3.16	31.3.15
	£	£
Current tax:		
UK corporation tax	16,031	-
Deferred tax	4,365	(4,475)
Tax on profit/(loss) on ordinary activities	<u>20,396</u>	<u>(4,475)</u>

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is the same as the standard rate of corporation tax in the UK.

	31.3.16	31.3.15
	£	£
Profit/(loss) on ordinary activities before tax	<u>101,978</u>	<u>(22,372)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 21%)	20,396	(4,698)
Effects of:		
Capital allowances in excess of depreciation	-	(2,407)
Depreciation in excess of capital allowances	2,402	-
Utilisation of tax losses	(6,767)	-
Losses carried forward	-	7,105
Deferred tax	4,365	(4,475)
Total tax charge/(credit)	<u>20,396</u>	<u>(4,475)</u>

8. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £81,582 (2015 - £(17,897) loss).

9. INTANGIBLE FIXED ASSETS

Group

	Patents and licences £
COST	
At 1 April 2015	240,858
Additions	380,829
	<hr/>
At 31 March 2016	621,687
	<hr/>
AMORTISATION	
At 1 April 2015	58,222
Amortisation for year	144,453
	<hr/>
At 31 March 2016	202,675
	<hr/>
NET BOOK VALUE	
At 31 March 2016	419,012
	<hr/> <hr/>
At 31 March 2015	182,636
	<hr/> <hr/>

Company

	Patents and licences £
COST	
At 1 April 2015	240,858
Additions	380,829
	<hr/>
At 31 March 2016	621,687
	<hr/>
AMORTISATION	
At 1 April 2015	58,222
Amortisation for year	144,453
	<hr/>
At 31 March 2016	202,675
	<hr/>
NET BOOK VALUE	
At 31 March 2016	419,012
	<hr/> <hr/>
At 31 March 2015	182,636
	<hr/> <hr/>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

10. TANGIBLE FIXED ASSETS

Group	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2015	4,113	64,781	68,894
Additions	4,435	29,292	33,727
Disposals	-	(14,125)	(14,125)
	<u>8,548</u>	<u>79,948</u>	<u>88,496</u>
At 31 March 2016	8,548	79,948	88,496
DEPRECIATION			
At 1 April 2015	1,028	37,642	38,670
Charge for year	1,386	16,697	18,083
Eliminated on disposal	-	(14,125)	(14,125)
	<u>2,414</u>	<u>40,214</u>	<u>42,628</u>
At 31 March 2016	2,414	40,214	42,628
NET BOOK VALUE			
At 31 March 2016	<u>6,134</u>	<u>39,734</u>	<u>45,868</u>
At 31 March 2015	<u>3,085</u>	<u>27,139</u>	<u>30,224</u>
Company			
	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2015	4,113	64,781	68,894
Additions	4,435	29,292	33,727
Disposals	-	(14,125)	(14,125)
	<u>8,548</u>	<u>79,948</u>	<u>88,496</u>
At 31 March 2016	8,548	79,948	88,496
DEPRECIATION			
At 1 April 2015	1,028	37,642	38,670
Charge for year	1,386	16,697	18,083
Eliminated on disposal	-	(14,125)	(14,125)
	<u>2,414</u>	<u>40,214</u>	<u>42,628</u>
At 31 March 2016	2,414	40,214	42,628
NET BOOK VALUE			
At 31 March 2016	<u>6,134</u>	<u>39,734</u>	<u>45,868</u>
At 31 March 2015	<u>3,085</u>	<u>27,139</u>	<u>30,224</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

11. **FIXED ASSET INVESTMENTS**

Company	Shares in group undertakings £
COST	
At 1 April 2015 and 31 March 2016	1
NET BOOK VALUE	
At 31 March 2016	1
At 31 March 2015	1

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiary

Loco2 Energy Supply Limited

Nature of business: Electricity distribution

Class of shares:	%	31.3.16	31.3.15
Ordinary	holding	£	£
	100.00	1	1
Aggregate capital and reserves		1	1

12. **STOCKS**

	Group		Company	
	31.3.16	31.3.15	31.3.16	31.3.15
	£	£	£	£
Stocks	702,626	364,209	702,626	364,209

13. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	31.3.16	31.3.15	31.3.16	31.3.15
	£	£	£	£
Trade debtors	1,777,990	1,778,324	1,777,936	1,778,324
Amounts owed by group undertakings	-	-	-	171,164
Other debtors	86,275	259,210	775	-
Directors' current accounts	3	3	2	2
VAT	211,219	-	106,247	-
Deferred tax asset	-	723	-	723
Accrued income	1,381,178	50,868	1,381,178	26,740
Prepayments	176,711	82,117	130,244	8,333
	<u>3,633,376</u>	<u>2,171,245</u>	<u>3,396,382</u>	<u>1,985,286</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Deferred tax asset

	Group		Company	
	31.3.16 £	31.3.15 £	31.3.16 £	31.3.15 £
Accelerated capital allowances	-	(6,044)	-	(6,044)
Tax losses carried forward	-	6,767	-	6,767
	<u>-</u>	<u>723</u>	<u>-</u>	<u>723</u>
	<u><u>-</u></u>	<u><u>723</u></u>	<u><u>-</u></u>	<u><u>723</u></u>

Included in debtors above are financial assets measured at amortised cost of £3,159,168 (2015: £1,829,192).

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.16 £	31.3.15 £	31.3.16 £	31.3.15 £
Trade creditors	1,419,256	568,830	1,297,170	492,533
Amounts owed to group undertakings	-	-	112,196	-
Tax	16,031	-	16,031	-
Social security and other taxes	19,212	18,629	19,212	18,629
VAT	-	6,344	-	34,068
Other creditors	9,571	5,543	9,571	5,543
Deferred income	1,264,146	1,088,312	1,264,146	1,088,312
Accrued expenses	2,083,046	1,702,940	1,763,738	1,511,274
	<u>4,811,262</u>	<u>3,390,598</u>	<u>4,482,064</u>	<u>3,150,359</u>
	<u><u>4,811,262</u></u>	<u><u>3,390,598</u></u>	<u><u>4,482,064</u></u>	<u><u>3,150,359</u></u>

Included in creditors falling due within one year above are financial liabilities measured at amortised cost of £3,502,302 (2015: £2,271,770).

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	31.3.16 £	31.3.15 £
Within one year	248,511	144,340
Between one and five years	620,192	592,028
In more than five years	59,946	-
	<u>928,649</u>	<u>736,368</u>
	<u><u>928,649</u></u>	<u><u>736,368</u></u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

15. LEASING AGREEMENTS - continued

Company

	Non-cancellable operating leases	
	31.3.16	31.3.15
	£	£
Within one year	248,511	144,340
Between one and five years	620,192	592,028
In more than five years	59,946	-
	<u>928,649</u>	<u>736,368</u>

16. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.3.16	31.3.15	31.3.16	31.3.15
	£	£	£	£
Deferred tax				
Accelerated capital allowances	<u>3,642</u>	<u>-</u>	<u>3,642</u>	<u>-</u>

Group

	Deferred tax
	£
Balance at 1 April 2015	(723)
Credit to Statement of Comprehensive Income during year	<u>4,365</u>
Balance at 31 March 2016	<u>3,642</u>

Company

	Deferred tax
	£
Balance at 1 April 2015	(723)
Credit to Statement of Comprehensive Income during year	<u>4,365</u>
Balance at 31 March 2016	<u>3,642</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			31.3.16	31.3.15
Number:	Class:	Nominal value:	£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

The shares have no special rights attached to them.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

18. **RESERVES**

Group		Retained earnings £
At 1 April 2015		156,094
Profit for the year		81,582
		<hr/>
At 31 March 2016		237,676
		<hr/> <hr/>
Company		Retained earnings £
At 1 April 2015		156,094
Profit for the year		81,582
		<hr/>
At 31 March 2016		237,676
		<hr/> <hr/>

The retained earnings are fully distributable.

19. **ULTIMATE PARENT COMPANY**

TLS Energy Limited is regarded by the directors as being the company's ultimate parent company.

20. **RELATED PARTY DISCLOSURES**

Other related parties	31.3.16 £	31.3.15 £
Sales	104,951	109,951
Purchases	2,518,220	1,313,906
Amount due from related party	48,178	37,285
Amount due to related party	758,948	33,103
	<hr/> <hr/>	<hr/> <hr/>

Trade debtors and trade creditors include amounts owed to other subsidiaries of TLS Energy Limited.

21. **ULTIMATE CONTROLLING PARTY**

The company is under the control of the directors through their majority shareholding in the ultimate parent company.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

22. **RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.3.16	31.3.15
	£	£
Profit/(loss) before taxation	101,978	(22,372)
Depreciation charges	162,536	63,001
Finance costs	236	-
Finance income	-	(116)
	264,750	40,513
Increase in stocks	(338,417)	(317,582)
(Increase)/decrease in trade and other debtors	(1,462,854)	719,485
Increase/(decrease) in trade and other creditors	1,404,633	(68,384)
Cash generated from operations	(131,888)	374,032

23. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Consolidated Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2016

	31.3.16	1.4.15
	£	£
Cash and cash equivalents	251,700	798,380

Year ended 31 March 2015

	31.3.15	1.4.14
	£	£
Cash and cash equivalents	798,380	683,773