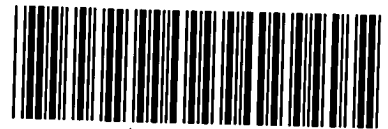


Registered number: 09263295

SO ENERGY TRADING LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 MARCH 2018

THURSDAY



A22 *A7XDBJ8I* #45
17/01/2019
COMPANIES HOUSE

SO ENERGY TRADING LIMITED
REGISTERED NUMBER: 09263295

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	2018 £	As restated Unaudited 2017 £
Fixed assets			
Intangible assets	5	194,266	-
Tangible assets	6	31,920	13,520
		226,186	13,520
Current assets			
Debtors	7	7,359,722	4,077,039
Cash at bank and in hand	8	1,599,805	864,419
		8,959,527	4,941,458
Creditors: amounts falling due within one year	9	(10,794,829)	(5,735,908)
Net current liabilities		(1,835,302)	(794,450)
Total assets less current liabilities		(1,609,116)	(780,930)
Creditors: amounts falling due after more than one year	10	(700,000)	(700,000)
Net liabilities		(2,309,116)	(1,480,930)
Capital and reserves			
Called up share capital		1	1
Profit and loss account		(2,309,117)	(1,480,931)
		(2,309,116)	(1,480,930)

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 Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

16/04/2019

S R Oscroft
 Director

The notes on pages 2 to 10 form part of these financial statements.

SO ENERGY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. General information

So Energy Trading Limited is a private Company limited by shares and incorporated in England and Wales. Registered number 09263295. Its registered head office is located at 107 Power Road, London, W4 5PY.

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 accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

Notwithstanding a loss for the year of £828,186 and net liabilities of £2,309,116 at the balance sheet date, the directors have prepared the financial statements on a going concern basis.

The business continues to grow its customer base, and now has approximately 85,000 customers. The directors have prepared forecasts in respect of cash flow, profit and loss and balance sheet until 31 December 2020. Based on these forecasts, the company is expected to reach a point where it is profitable on a monthly basis within that timescale, while generating an increase in cash balances. The business model of the company is such that it is forecast to repay its debts as they fall due throughout this period, despite a deficit of net liabilities at the balance sheet date.

Additionally, the company's parent company obtained a new revolving credit facility of up to £4m in January 2019 to provide additional finance for working capital and future growth.

In light of these forecasts and the secured revolving credit facility, the directors are confident that the company will be able to repay its debts as they fall due for the foreseeable future and accordingly have applied the going concern basis of preparation for the financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Energy supply revenue is recognised on the basis of electricity and gas supplied during the period and is attributable to the supply of electricity and gas. This includes an estimate of the sales value of unites supplied to customers between the date of the last meter reading and the year end.

SO ENERGY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Customer Lists	-	3 years
Renewable Obligation Certificates	-	Over the length of the certificate

2.5 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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:

Fixtures and fittings	-	33% straight line
Computer equipment	-	33% straight line

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 Statement of comprehensive income.

2.6 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.

SO ENERGY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.7 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.

2.8 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, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

SO ENERGY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.9 Creditors

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

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.11 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

SO ENERGY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.13 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 Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.15 Prior year restatement

The Directors have reviewed their treatment of what is included in debtors and creditors compared with the previous year. The directors believe the most appropriate presentation is to include any deposits with suppliers in other debtors and all credit balances from the debtor balances to other creditors.

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

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

4. Employees

The average monthly number of employees, including directors, during the year was 40 (2017 - 22).

SO ENERGY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

5. Intangible assets

	Renewable Obligation Certificates £
Cost	
Additions	194,266
At 31 March 2018	194,266
Net book value	
At 31 March 2018	194,266
At 31 March 2017	-

6. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 April 2017	10,195	9,958	20,153
Additions	9,074	19,264	28,338
At 31 March 2018	19,269	29,222	48,491
Depreciation			
At 1 April 2017	3,581	3,052	6,633
Charge for the year on owned assets	4,581	5,357	9,938
At 31 March 2018	8,162	8,409	16,571
Net book value			
At 31 March 2018	11,107	20,813	31,920
At 31 March 2017	6,614	6,906	13,520

SO ENERGY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

7. Debtors

	2018	As restated Unaudited 2017
	£	£
Trade debtors	2,630,997	1,045,044
Amounts due from group undertakings	17,871	17,871
Other debtors	4,626,101	2,945,664
Prepayments and accrued income	84,753	68,460
	<u>7,359,722</u>	<u>4,077,039</u>

8. Cash and cash equivalents

	2018	Unaudited 2017
	£	£
Cash at bank and in hand	1,599,805	864,419
	<u>1,599,805</u>	<u>864,419</u>

9. Creditors: Amounts falling due within one year

	2018	As restated Unaudited 2017
	£	£
Trade creditors	546,093	326,608
Other taxation and social security	133,716	18,381
Other creditors	2,064,930	1,728,247
Accruals	8,050,090	3,662,672
	<u>10,794,829</u>	<u>5,735,908</u>

SO ENERGY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

10. Creditors: Amounts falling due after more than one year

	2018 £	<i>Unaudited</i> 2017 £
Amounts owed to group undertakings	<u>700,000</u>	<u>700,000</u>

At the balance sheet date, there was a loan due to So Energy Limited of £700,000 (2017: £700,000). This loan is due for repayment in 2020 and has an annual interest rate of 3.5%.

11. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £5,370 (2017: £Nil). Contributions totalling £Nil (2017: £Nil) were payable to the fund at the reporting date and are included in creditors.

12. Derivatives and hedging

The Company mitigates its exposure to fluctuations in commodity prices by hedging. When these contracts are initiated as to fulfil the supply requirement for customers, the Company classifies them as 'own use' and outside the scope of FRS 102 sections 11 and 12. The volume of energy delivered to the Company is in line with customer usage and no contracts are entered into on a speculative basis.

13. Related party transactions

Included in Other Debtors is £648 (2017: Nil) owed by S Oscroft and £114 (2017: £Nil) owed by C Davies.

Included in Creditors due greater than one year is a loan totalling £700,000 (2017: £700,000) payable to So Energy Limited. Interest is paid at 3.5% and totalled £24,500 (2017: £24,500) for the year.

Included in Debtors due within one year is a trading balance of £17,871 (2017: £17,871) receivable from So Energy Limited.

All transactions have taken place on a commercial basis at arm's length.

14. Controlling party

The ultimate controlling party is Simon Oscroft, by virtue of his majority shareholding in the entities parent company, So Energy Limited.

The group for which the entity is part of is exempt from preparing consolidated financial statements on the basis that both entities are small under section 405 of the Companies Act 2006. The parent company of which the entity is in a group with is incorporated in the United Kingdom.

SO ENERGY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

15. Auditor's information

The Company has taken advantage of the small company provisions to file a balance sheet and related notes. The full annual accounts and Directors' Report have been subject to audit. The auditor's report was issued on 16/01/2019 by Grant Thornton UK LLP, signed by Jeremy Read, as senior statutory auditor. The auditor's report was unqualified and did not include a statement under section 498(2) or section 498(3) Companies Act 2006.