Company Registration No. 08994981 (England and Wales)

PFP ENERGY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

mha
MOORE & SMALLEY

PFP ENERGY LIMITED

COMPANY INFORMATION

Directors	Mr A Gupta	
	Mr S B S Soin	(Appointed 4 May 2018)
	Mr R G Binns	(Appointed 1 January 2019)
Company number	08994981	
Registered office	Unit 2 Edward Vii Quay Riversway Preston PR2 2YF	
Auditor	MHA Moore and Smalley Richard House 9 Winckley Square Preston PR1 3HP	

PFP ENERGY LIMITED

CONTENTS

PFP ENERGY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present the strategic report for the year ended 31 March 2019.

Review of the business
Although the business operates in a challenging environment, strategic focus on customer service levels, retention and new acquisitions, combined with operating cost and margin control will allow the business to deliver its future financial plans. Throughout the period, the Company has continued to develop proprietary systems to continually improve the customer experience and interactions whilst developing new customer acquisition routes in line with an ever-changing competitive market.

During the third full year of trading, the company has further increased the strategic focus on tariffs, cost to supply and operating overheads. A resultant reduction in turnover of £5.3m to £71.0m (2018: £76.3m) delivered an increase in gross profit of £1.1m to £5.1m (2018: £4.0m). Administration expenses were reduced by £0.3m to £7.9m (2018: £8.2m) with the business reducing operating losses by £1.4m to £2.8m (2018: £4.2m).

Results for the period are set out on page 8.

Principal risks and uncertainties
To tackle the dominance of the big six energy suppliers PFP Energy Limited has been engaging with policy makers and influencers at the highest level, campaigning for more transparency in the energy sector.

Wholesale Market Risk
PFP Energy Limited minimises the risk of wholesale cost fluctuations with a sophisticated hedging program which matches forward purchases with forecasted customer requirements. The company does not speculate in the energy market.

The company is neither exposed to nor benefits from market movements in either direction. Purchase contracts, customer demand and pricing and reviewed daily with ongoing adjustments made to minimise the financial impact of variations.

Cash flow Risk
The company considers cash in a professional manner modelling both short and long terms positions and requirements. Daily cashflow models are extended out three months and reviewed weekly by key management, whilst long term models give transparency in the sensitivity impact of movements in key assumptions allowing the company to react and readjust in a timely manner.

Credit risk
The company has a strict credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers before supply is commenced with discounts given on direct debit payment terms. Customer balances and payments are continually reviewed with processes for non-payment in line with licence conditions.

Key performance indicators
The Group's KPI's are revenue, gross margin, number of meters and EBITDA. Management continue to monitor performance against these KPIs on a regular basis.

	2019	**2018**
Revenue	£71.0m	£76.3m
Gross margin	£5.1m	£4.0m
Gross margin %	7.2%	5.2%
Number of meters	99k	125k
EBITDA	(£2.5m)	(£3.9m)

Future developments

The business financial controls include a three-year rolling business plan that takes into account variations in energy costs and customer pricing, combined with sensitivity analysis to allow for variances in market forces and forecasted growth rates. The business plans demonstrate the going concern of the business with an ongoing reduction in future losses and the ability to operating within its current funding levels.

On behalf of the board

Mr S B S Soin
Director

5 August 2019

PFP ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and financial statements for the year ended 31 March 2019.

Principal activities
The principal activity of the company continued to be that of the supply of electricity and gas to domestic and business customers.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A Gupta	
Mr J E Thomasson	(Resigned 4 May 2018)
Mr S B S Soin	(Appointed 4 May 2018)
Mr R G Binns	(Appointed 1 January 2019)
Mr S Binks	(Appointed 4 May 2018 and resigned 20 November 2018)

Results and dividends

The Company's loss for the period, after taxation, amounted to £3.4m (2018: £4.8m). A dividend of £nil (2018: £nil) was paid during the period.

Auditor
MHA Moore and Smalley was appointed as auditor to the company and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic report
The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of financial risk management and future developments.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr S B S Soin
Director

5 August 2019

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

The directors are responsible for preparing the annual 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). 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 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;
- 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.

PFP ENERGY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PFP ENERGY LIMITED

Opinion
We have audited the financial statements of PFP Energy Limited (the 'company') for the year ended 31 March 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 March 2019 and of its loss 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.

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
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The directors are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report 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 knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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, 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://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.

Jonathan Pinder (Senior Statutory Auditor)
for and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Richard House
9 Winckley Square
Preston
PR1 3HP

13 August 2019

PFP ENERGY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £'000	2018 £'000
Turnover	3	71,022	76,303
Cost of sales		(65,933)	(72,353)
Gross profit		5,089	3,950
Administrative expenses		(7,920)	(8,184)
Operating loss	4	(2,831)	(4,234)
Interest receivable and similar income	7	5	2
Interest payable and similar expenses	8	(595)	(468)
Loss before taxation		(3,421)	(4,700)
Tax on loss	9	-	(82)
Loss for the financial year		(3,421)	(4,782)

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

PFP ENERGY LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £'000	2019 £'000	2018 as restated £'000	2018 as restated £'000
Fixed assets					
Intangible assets	**10**		441		485
Tangible assets	**11**		653		721
Investments	**12**		100		100
			1,194		1,306
Current assets					
Debtors	**14**	16,235		16,303	
Cash at bank and in hand		564		1,741	
		16,799		18,044	
Creditors: amounts falling due within one year	**15**	(24,110)		(30,046)	
Net current liabilities			(7,311)		(12,002)
Total assets less current liabilities			(6,117)		(10,696)
Creditors: amounts falling due after more than one year	**16**		(3,000)		-
Net liabilities			(9,117)		(10,696)
Capital and reserves					
Called up share capital	**19**		-		-
Share premium account			5,000		-
Profit and loss reserves			(14,117)		(10,696)
Total debt			(9,117)		(10,696)

The financial statements were approved by the board of directors and authorised for issue on 5 August 2019 and are signed on its behalf by:

Mr S B S Soin
Director

Company Registration No. 08994981

PFP ENERGY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Share premium account £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 April 2017		-	(5,914)	(5,914)
Year ended 31 March 2018:				
Loss and total comprehensive income for the year		-	(4,782)	(4,782)
Balance at 31 March 2018		-	(10,696)	(10,696)
Year ended 31 March 2019:				
Loss and total comprehensive income for the year		-	(3,421)	(3,421)
Issue of share capital	**19**	5,000	-	5,000
Balance at 31 March 2019		5,000	(14,117)	(9,117)

1 Accounting policies

Company information
PFP Energy Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 2 Edward Vii Quay, Riversway, Preston, PR2 2YF.

1.1 Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary a mounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Sands Investments Limited. These consolidated financial statements are available from Companies House, Cardiff.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern
At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.
The directors have produced a 5 year forecast, and reviewed the key assumptions. This has been considered in conjunction with the positive post year end trading activity.

Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1 Accounting policies **(Continued)**

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and sales discounts.

Turnover arises from the supply of electricity and gas and related services, which is recongised based on the date of use by customers according to meter read data and tariff rates. This includes an estimates of the sales value of units supplied to customers between the date of the last meter reading and the year end.

Accrued income, representing electricty and gas supplies since the last billing date, is recognised in the balance sheet and is netted off against deferred income to the extent that it can be matched against specific customer payments.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Software	5 years straight line

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10 years straight line
Fixtures and fittings	10 years straight line
Computer equipment	5 years straight line
Motor vehicles	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1 Accounting policies **(Continued)**

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

1 Accounting policies **(Continued)**

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. Trade creditors are recognised initially at transaction price.

Other financial liabilities
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 finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

The company mitigates its exposure to fluctuation 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 section 11 and 12. The volume of energy delivered to the company is in line with customer usages and no contracts are entered into on a speculative basis.

Derecognition of financial liabilities
Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments
Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

1 Accounting policies **(Continued)**

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Judgements 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.

2 Judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Revenue recognition - estimation of usage at the year end

Revenue for the supply of electricity and gas is recognised using customer tariff rates and industry usage data for each meter point. There is an inherent risk of estimation involved as not all customer meters have a reading at the year end date, and therefore an element of each customer's revenue is based upon an estimate. Following the year end, management review updated revenue estimations which are increasingly accurate as meter readings are obtained. Revenue for the year is corrected to take account of any significant variations identified post year end.

Impairment of trade debtors

Impairment against trade receivables are recognised where the loss is probable. Management have based their assessment of the level of impairment on collection rates experienced by the company to date. The estimates and assumptions used to determine the level of provision will continue to be reviewed periodically and could lead to changes in the impairment provision methodology which would impact the statement of comprehensive income in future years.

3 Turnover and other revenue

	2019	2018
	£'000	£'000
Turnover analysed by class of business		
Attributable to the principal activity of the company	71,022	76,303

	2019	2018
	£'000	£'000
Other significant revenue		
Interest income	5	2

All turnover arose from within the United Kingdom

4 Operating loss

	2019	2018
Operating loss for the year is stated after charging:	£'000	£'000
Fees payable to the company's auditor for the audit of the company's financial statements	23	51
Depreciation of owned tangible fixed assets	215	182
Amortisation of intangible assets	155	131
Operating lease charges	78	77

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Operational	72	76
Support	28	18
	100	94

Their aggregate remuneration comprised:

	2019 £'000	2018 £'000
Wages and salaries	2,927	2,893
Social security costs	265	298
Pension costs	190	170
	3,382	3,361

6 Directors' remuneration

	2019 £'000	2018 £'000
Remuneration for qualifying services	277	328
Company pension contributions to defined contribution schemes	10	10
	287	338

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2018 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2019 £'000	2018 £'000
Remuneration for qualifying services	201	186
Company pension contributions to defined contribution schemes	8	7

7 Interest receivable and similar income

	2019	2018
	£'000	£'000
Interest income		
Interest on bank deposits	5	2

8 Interest payable and similar expenses

	2019	2018
	£'000	£'000
Other interest on financial liabilities	595	468

9 Taxation

	2019	2018
	£'000	£'000
Deferred tax		
Origination and reversal of timing differences	-	82

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2019	2018
	£'000	£'000
Loss before taxation	(3,421)	(4,700)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(650)	(893)
Tax effect of expenses that are not deductible in determining taxable profit	14	33
Change in unrecognised deferred tax assets	635	810
Effect of change in corporation tax rate	-	82
Depreciation on assets not qualifying for tax allowances	1	-
Other permanent differences	-	50
Taxation charge for the year	-	82

The company has tax losses of £13,988,000 (2018: £10,588,000) carried forward, which are available for use against future taxable profits.

The Chancellor stated his intention to reduce the main rate of corporation tax from 19% to 17% from 1 April 2020. This change was substantively enacted on 6 September 2016.

10 Intangible fixed assets

	Software
	£'000
Cost as restated	
At 1 April 2018	706
Additions - separately acquired	111
At 31 March 2019	817
Amortisation as restated	
At 1 April 2018	221
Amortisation charged for the year	155
At 31 March 2019	376
Carrying amount	
At 31 March 2019	441
At 31 March 2018 as restated	485

11 Tangible fixed assets

	Leasehold improvements	Fixtures and fittings	Computer equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost as restated					
At 1 April 2018	278	99	552	-	929
Additions	-	6	112	29	147
At 31 March 2019	278	105	664	29	1,076
Depreciation as restated					
At 1 April 2018	31	23	154	-	208
Depreciation charged in the year	28	20	165	2	215
At 31 March 2019	59	43	319	2	423
Carrying amount					
At 31 March 2019	219	62	345	27	653
At 31 March 2018 as restated	247	76	398	-	721

12 Fixed asset investments

		2019	2018
	Notes	£'000	£'000
Investments in subsidiaries	13	100	100

12 Fixed asset investments **(Continued)**

Movements in fixed asset investments

	Shares in group undertakings £'000
Cost	
At 1 April 2018 & 31 March 2019	100
Carrying amount	
At 31 March 2019	100
At 31 March 2018	100

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
PFP Energy Supplies Limited	England and Wales	Dormant	Ordinary	100.00	

14 Debtors

Amounts falling due within one year:	2019 £'000	2018 as restated £'000
Trade debtors	7,111	3,333
Other debtors	132	557
Prepayments and accrued income	8,992	12,413
	16,235	16,303

15 Creditors: amounts falling due within one year

	Notes	2019 £'000	2018 as restated £'000
Other borrowings	17	-	3,000
Payments received on account		1,704	2,042
Trade creditors		9,934	9,233
Taxation and social security		72	77
Other creditors		80	30
Accruals and deferred income		12,320	15,664
		24,110	30,046

Included within trade creditors is a balance of £9,119,000 (2018: £8,122,000) which is secured by way of a fixed and floating charge over all assets of the company.

16 Creditors: amounts falling due after more than one year

	Notes	2019 £'000	2018 £'000
Other borrowings	17	3,000	-

17 Loans and overdrafts

	2019 £'000	2018 £'000
Loans from group undertakings	3,000	-
Other loans	-	3,000
	3,000	3,000
Payable within one year	-	3,000
Payable after one year	3,000	-

18 Retirement benefit schemes

Defined contribution schemes	2019 £'000	2018 £'000
Charge to profit or loss in respect of defined contribution schemes	190	170

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

19 Share capital

	2019	2018
	£'000	£'000
100,000 (2018: 100) Ordinary shares of 0.1p (2018: £1) each	-	-
24,390 (2018: 0) A Ordinary shares of 0.1p each	-	-
11,111 (2018: 0) B Ordinary shares of 0.1p each	-	-
136,045 (2018: 0) A Preference shares of 0.1p each	-	-
	-	-

On 4 May 2018 100 Ordinary £1 shares were split into 100,000 Ordinary 0.1p shares. On 4 May 2018 100,401 A Preference 0.1p shares were issued for a total of £5,000,000. On 31 July 2018 24,390 A Ordinary 0.1p shares, 11,111 B Ordinary 0.1p shares and 35,644 A Preference 0.1p shares were issued at par.

Each class of shares has full voting rights and ranks pari passu in all other respects, other than having different rights to dividends.

20 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

Category	Description of transaction	Income 2019	Income 2018	Expenditure 2019	Expenditure 2018
		£'000	£'000	£'000	£'000
Entities with control, joint control or significant influence over the company	Interest paid	-	-	182	112
Entities with control, joint control or significant influence over the company	Management charge paid	-	-	413	-
Entities with control, joint control or significant influence over the company	Purchases	-	-	36,737	37,752
Key management personnel	Services provided	-	-	10	-

Amounts owed to/by related parties

Category	Amount owed to 2019	Amount owed to 2018	Amounts owed by 2019	Amounts owed by 2018
	£'000	£'000	£'000	£'000
Entities with control, joint control or significant influence over the company	11,402	10,867	-	-

21 Ultimate controlling party

The immediate and ultimate parent company is Sands Investments Limited. The registered office of Sands Investments Limited is Datum House, Electra Way, Crewe, CW1 6ZF.

The largest and smallest group in which the results of the company are consolidated is that headed by Sands Investments Limited. Copies of the accounts can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.

22 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019	2018
	£'000	£'000
Within one year	84	97
Between two and five years	114	192
	198	289

23 Prior period adjustment

The prior period adjustments made in the year relate to the following reclassifications. £2,042,000 between trade debtors and payments received on account. £485,000 of software costs from tangible fixed assets to intangible fixed assets which resulted in £131,000 from depreciation to amortisation.

There has been no change to the previously reported loss for the prior year or the net liabilities of the company.