

# FLIPPER LTD

## Annual Report and Financial Statements 30 June 2018

Registered in England and Wales No. 10826922



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## DIRECTORS' REPORT

The Directors present their report and accounts for the period to 30 June 2018. This is the first year that the directors are presenting the accounts of the Company.

The principle activity of the Company is the provision of utility switching services to consumers of gas and electricity in the UK. For an annual fee the Company guarantees to save the customer money on their existing gas and electricity provider. Furthermore, their ongoing charges are monitored and automatically switched to a new deal if further savings can be made in the future.

The Company was incorporated on 20<sup>th</sup> June 2017 with the name Wessex Concierge Services Ltd and subsequently changed its name to Flipper Ltd on 12<sup>th</sup> July 2017.

The strategic report is not included due to the small companies' right not to include it in the annual statutory report.

### Directors

The Directors of the Company during the year and subsequently were:

David Elliott (appointed 20 June 2017)

Charlotte Maher (appointed 24 August 2017)

Collin Skellett (appointed 20 June 2017, resigned 5 September 2017 and re-appointed 24 January 2018)

Mark Watts (appointed 20 June 2017)

Dr Nigel Evans (appointed 5 September 2017, resigned 2 January 2018)

Stephen Smith (appointed 5 September 2017, resigned 2 January 2018)

Colin Skellett and Mark Watts are also Directors of Wessex Water Services Ltd, Wessex Utility Solutions Ltd, Wessex Concierge Ltd, Wessex Electricity Utilities Ltd, Wessex Water Ltd, Wessex Water Services Finance Plc, Wessex Engineering & Construction Services Ltd, GENeco Ltd, GENeco (South West) Ltd, YTL Land and Property (UK) Ltd, YTL Utilities (UK) Ltd and YTL Utilities Holdings Ltd.

Colin Skellett is also a Director of Enterprise Laundry Services Ltd and Bristol Wessex Billing Services Ltd. Mark Watts is also a Director of Albion Water Ltd.

### Directors emoluments

Directors' emoluments for Colin Skellett, Mark Watts and David Elliott are shown in the accounts of Wessex Water Ltd, the group company. There were no material services to the Company.

Dr Nigel Evans and Stephen Smith did not receive any emoluments.

Emoluments of Charlotte Maher in respect of services to the company, as included in note 4, were as follows:

	Salary	Bonus	Benefits	Pension contributions	Total 2017-18
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
Charlotte Maher	193	100	9	15	317

### The Modern Slavery Act 2015

The Company is committed to meeting the aims of the Modern Slavery Act 2015. We strongly oppose slavery and human trafficking in our supply chains and in any part of our business. To be trusted to do the right thing is one of our core values. We would never knowingly engage with suppliers or contractors involved in slavery or human trafficking. In accordance with the requirements of the Act we have published on our website a Slavery and Human Trafficking Statement 2018.

## **DIRECTORS' REPORT** *(continued)*

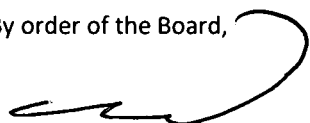
### **Disclosure of information to the auditor**

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that ought to have been taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Re-appointment of auditor**

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

By order of the Board,



Mark Watts – Director  
Claverton Down  
Bath BA2 7WW  
12 February 2019

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS REPORT AND THE FINANCIAL STATEMENTS**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) 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 estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLIPPER LIMITED**

### **Opinion**

We have audited the financial statements of Flipper Limited for the period ended 30 June 2018 which comprise the Income Statement and Statement of Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2018 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 below. 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 were:

- 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLIPPER LIMITED (continued)**

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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 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; or
- the directors are not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors report and from the requirement to prepare a strategic report.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 4, 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 <https://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.

  
Paul Mapleston (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor  
Bristol

Date: 12 February 2019

**INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME**

*For the period ended 30 June 2018*

	<i>Note</i>	<b>2018</b> £ 000's
<b>Revenue</b>	2	<b>153</b>
Audit fees	3	<b>(3)</b>
Staff costs	4	<b>(946)</b>
Depreciation and amortisation		<b>(172)</b>
Other expenses		<b>(1,564)</b>
<b>Total expenses</b>		<b>(2,685)</b>
<b>Operating loss</b>		<b>(2,532)</b>
Financial income	5	-
Financial expenses	5	<b>(1)</b>
<b>Net financing expense</b>		<b>(1)</b>
<b>Loss before tax</b>		<b>(2,533)</b>
Taxation	6	-
<b>Loss for the year</b>		<b>(2,533)</b>
Other comprehensive income for the year, net of income tax		-
<b>Total comprehensive loss for the year</b>		<b>(2,533)</b>

The notes on pages 11 to 21 are an integral part of these financial statements.



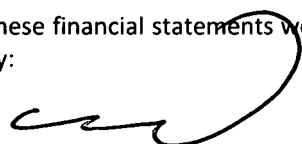
**BALANCE SHEET**

*At 30 June 2018*

	<i>Note</i>	<b>2018</b> £ 000's
<b>Non-current assets</b>		
Property, plant and equipment	7	153
Intangible assets	8	655
		<u>808</u>
<b>Current assets</b>		
Trade and other receivables	9	12
		<u>12</u>
<b>Total assets</b>		<u><u>820</u></u>
<b>Current liabilities</b>		
Bank Overdraft	10	(1,726)
Other interest-bearing loans and borrowings	11	(500)
Trade and other payables	12	(1,101)
		<u>(3,327)</u>
<b>Total liabilities</b>		<u><u>(3,327)</u></u>
<b>Net liabilities</b>		<u><u>(2,507)</u></u>
<b>Equity</b>		
Share premium capital	13	26
Distributable reserves		<u>(2,533)</u>
<b>Net deficit</b>		<u><u>(2,507)</u></u>

The notes on pages 11 to 21 are an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 12 February 2019 and signed on its behalf by:



Mark Watts  
Director

**STATEMENT OF CHANGES IN EQUITY**

*For the period ended 30 June 2018*

	Share capital £ 000's	Retained earnings £ 000's	Total equity £ 000's
<b>Total comprehensive income since incorporation</b>			
Loss for the year	-	(2,533)	(2,533)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(2,533)	(2,533)
<b>Transactions with owners, recorded directly in equity</b>			
Dividends	-	-	-
Issue of shares	26	-	26
Total contributions by and distributions to owners	26	-	26
<b>Balance at 30 June 2018</b>	<b>26</b>	<b>(2,533)</b>	<b>(2,507)</b>

**CASH FLOW STATEMENT**

*For the period ended 30 June 2018*

	<i>Note</i>	<b>2018</b>
		<b>£ 000's</b>
<b>Cash flows from operating activities</b>		
Loss for the period		(2,533)
<i>Adjustments for:</i>		
Depreciation, amortisation and impairment		172
Financial expense		1
		<u>(2,360)</u>
Increase in trade and other receivables		(12)
Increase in trade and other payables		1,101
		<u>1,089</u>
<b>Net cash from operating activities</b>		<u>(1,271)</u>
<b>Cash flow used in investing activities</b>		
Acquisition of intangible assets		(815)
Acquisition of property, plant and equipment		(165)
		<u>(980)</u>
<b>Net cash used in investing activities</b>		<u>(980)</u>
<b>Cash flow from financing activities</b>		
Proceeds from new loan		500
Interest paid		(1)
Share premium capital		26
		<u>525</u>
<b>Net cash flow</b>		<u>525</u>
Decrease in cash and cash equivalents		<u>(1,726)</u>
<b>Cash and cash equivalents at 30 June</b>	<i>12</i>	<u><u>(1,726)</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting policies

#### 1.1 Basis of preparation

Flipper Limited (the “Company”) is a private company incorporated, domiciled and registered in England in the UK. The registered number is 10826922 and the registered address is Wessex Water Operations Centre, Claverton Down, Bath, BA2 7WW.

The Company financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”).

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

Judgements made by the Directors, in the application of these accounting policies, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 20.

#### 1.2 Measurement convention

The financial statements are prepared on the historical cost basis.

#### 1.3 Going concern

The Directors have considered the financial position of the Company and have concluded that they will be able to meet their liabilities as they fall due for the foreseeable future. For these purposes the foreseeable future is taken to mean a period of at least 12 months from the date of approval of these accounts.

#### 1.4 Financial instruments

##### *Cash and cash equivalents*

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

##### *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

##### *Trade receivables*

Trade receivables are held at amortised cost less any impairment.

#### 1.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses.



## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### **1.8 Employee benefits *(continued)***

#### *Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### **1.9 Provisions**

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

### **1.10 Revenue**

Turnover represents income receivable in the ordinary course of business, excluding VAT, for services provided. Turnover is recognised to the extent that it is probable that economic benefits will flow to the Company.

### **1.11 Bad debt policy**

Debt is written off for one of two reasons:

- It is considered or known to be uncollectible
- It is considered uneconomic to collect.

The policy for calculating the bad debt provision is to analyse the outstanding debt between payment categories and to make provision according to the historical non-collection rate for that payment category.

### **1.12 Expenses**

#### *Operating lease payments*

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

#### *Financing income and expenses*

Financing expenses comprise interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Financing income comprises interest receivable on funds invested, dividend income, and net foreign exchange gains.

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

### **1.13 Taxation**

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

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

## **NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

### **1.13** *Taxation (continued)*

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

### **1.14** *Dividends*

The dividend policy is to declare dividends consistent with the company's performance and prudent management of the economic risk of the business. No dividends were declared or paid in in the period to 30<sup>th</sup> June 2018.

### **1.15** *Adopted IFRS not yet applied*

The following Adopted IFRSs have been issued but have not been applied in these financial statements:

#### **IFRS 15 Revenue from Contracts with Customers (Mandatory for years commencing on or after 1 January 2018)**

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group plans to adopt the new standard on the required effective date for the year ended 30 June 2019. This standard is not expected to materially impact the value of the revenue streams of the Company's existing services.

#### **IFRS 9 Financial Instruments (mandatory for years commencing on or after 1 January 2018)**

The Company's financial assets and liabilities can all be classified as amortised cost under IFRS 9 and as such there will be no impact from adoption of the new standard. The current methodology for calculation of impairment of trade receivables is expected to closely align with the "expected credit losses" model required by IFRS 9, however the impact is still being determined.

#### **Other Adopted IFRS issued but not yet applied**

- IFRS 16 Leases (Mandatory for years commencing on or after 1 January 2019)
- Annual Improvements to IFRSs – 2014-2016 Cycle

The Company does not currently expect that adoption of these standards will have a significant effect on the results or financial position of the Company but may affect disclosure requirements.

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**2 Segmental analysis**

	<b>2018 £'000</b>
<i>Revenue</i>	
External Revenue	<u>153</u>
	<u><u>153</u></u>

**3 Expenses and audit fee information**

	<b>2018 £'000</b>
<i>Auditor's fees:</i>	
Audit of these financial statements	<u>3</u>
	<u><u>3</u></u>

**4 Staff numbers and costs**

The average number of employees (including directors) during the year was as follows:

	<b>2018</b>
Average number of employees	<u>9</u>

The aggregate payroll costs of these employees were:

	<b>2018 £ 000's</b>
Wages and salaries	707
National Insurance	81
Pension	20
Severance Pay	124
Sundry Payroll - SMP/Holiday Credits	(8)
Bonus & Honoraria	<u>22</u>
	<u><u>946</u></u>

The Directors' emoluments have been disclosed in the Directors' Report (see page 2).

There are no retirement benefits accruing to the directors under the company's defined contribution scheme.

The directors did not exercise share options during the year.



**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**5 Finance income and expense**

	<b>2018</b> <b>£ 000's</b>
<i>Finance expense</i>	
On loans from parent company	<u>1</u>
Net interest Payable	<u><u>1</u></u>

**6 Taxation**

**Recognised in the income statement**

	<b>2018</b> <b>£ 000's</b>
Tax expense in income statement	<u>-</u>
Loss excluding taxation:	<b>(2,533)</b>
Tax using the UK corporation tax rate of 19.00%	<b>(481)</b>
Losses not recognised	<u><b>481</b></u>
Total tax expense	<u><u>-</u></u>

As at the balance sheet date, the company has carried forward tax losses amounting to £2.5m. No deferred tax asset has been recognised on the basis the directors do not consider it probable that future taxable profits will be available within the short term.

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**7 Property, Plant & Equipment**

	<b>Office &amp; IT equipment £000</b>
Additions in the period to 30 June 2018	165
Depreciation charge for the year	(12)
Net book value at 30 June 2018	153

**8 Intangible Assets**

	<b>Customer list £000</b>	<b>Intellectual property rights £000</b>	<b>Computer software £000</b>	<b>Company total £000</b>
Additions in the period to 30 June 2018	65	300	450	815
Amortisation charge for the year	(22)	(60)	(78)	(160)
Net book value at 30 June 2018	43	240	372	655

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**9 Trade and other receivables**

	<b>2018</b> <b>£ 000's</b>
Prepayments and accrued income	5
Other debtors	7
	<hr/>
	<b>12</b>
	<hr/> <hr/>

Trade and other receivables are due in under one year.

**10 Bank Overdraft**

	<b>2018</b> <b>£ 000's</b>
Bank Overdraft	1,726
	<hr/>
	<b>1,726</b>
	<hr/> <hr/>

**11 Other interest-bearing loans and borrowings**

	<b>2018</b> <b>£000</b>
<b>Current liabilities</b>	
Loan from parent company	500
	<hr/>
	<b>500</b>
	<hr/> <hr/>

**12 Trade and other payables**

<b>Current</b>	
Owed to parent company	750
Owed to other group companies	145
Trade creditors	23
Accrued expenses	61
Deferred income	121
Current portion of Finance Leases	1
	<hr/>
Trade and other payables	<b>1,101</b>
	<hr/> <hr/>

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**13 Share Capital**

**Authorised shares**

**Ordinary shares**

	<b>2018 number</b>
Ordinary shares	<b>65</b>
Ordinary shares - Class A	<b>35</b>
	<hr/>
On issue at 30 June – fully paid	<b>100</b>
	<hr/> <hr/>

**Allotted, called up and fully paid**

	<b>2018 £</b>
65 Ordinary shares of £1 each	<b>65</b>
35 Class A shares of £1 each	<b>35</b>
	<hr/>
Shares classified in shareholders' funds	<b>100</b>
	<hr/> <hr/>

Ordinary Shares rank equally for voting purposes. Each share ranks equally for any dividend declared and for any distribution made on a winding up.

Class A shares rank equally for voting purposes. The total voting rights of 'A' shares are capped at 25% of the total voting rights of the company. Each share ranks equally for any dividend declared and for any distribution made on a winding up (after payment of any declared dividends which are unpaid). The shares are non-redeemable.

**Share Premium**

	<b>2018 £000</b>
Issue of Class A shares	<b>26</b>
	<hr/>
Balance at 30th June	<b>26</b>
	<hr/> <hr/>

On 24 August 2017 64 Ordinary shares were allotted to the parent company for consideration comprising £64 paid in cash.

Also, on 5 September 2017 35 Class 'A' shares were allotted to directors for consideration comprising £26,250 paid in cash.

**14 Financial Instruments**

There are no financial instruments in the Company apart from the bank overdraft and loan from parent company disclosed in notes 10 and 11.

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**15 Capital Management**

For the purpose of the Company’s capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company’s capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

**16 Operating Lease Commitments**

During the period non-cancellable operating lease rentals payable by the Company were £47,000. 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:

	<b>30 June 2018</b>
	<b>£000</b>
Within one year	85
Between 2-5 years	124
In over 5 years	-
	<hr/>
	<b>209</b> <hr/> <hr/>

**17 Related Parties**

There were no transactions with Directors or senior managers other than those disclosed in the Directors Report.

Directors’ emoluments have also been disclosed in the Director’s Report.

There have been no transactions with pre-penultimate, penultimate and ultimate holding companies described in note 18.

**Significant transactions with related parties**

	<b>2018</b>
	<b>£000</b>
<b>Interest expense:</b>	
Fellow subsidiaries	1
	 <b>2018</b>
	<b>£000</b>
<b>Purchase of goods and services:</b>	
Fellow subsidiaries	83
	 <b>Year-end balances owing to:</b>
Fellow subsidiaries	145
Holding company	1,250

## **NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

### **18 Ultimate parent company and parent company of the larger group**

The company majority shareholder and immediate parent company is Wessex Concierge Limited a company incorporated in the United Kingdom whose registered office is Wessex Water Operations Centre, Claverton Down Road, Bath, BA2 7WW.

The smallest group into which the financial statements of the Company are consolidated is that headed by Wessex Water Ltd, a company incorporated in England whose registered address is Wessex Water Operations Centre, Claverton Down, Bath, BA2 7WW.

The pre-penultimate, penultimate and ultimate holding companies are YTL Power International Berhad, YTL Corporation Berhad and Yeoh Tiong Lay & Sons Holdings Sdn Bhd respectively, all registered in Malaysia.

The largest group in which the results of the Company are consolidated is that headed by YTL Corporation Berhad incorporated in Malaysia. The consolidated financial statements of these groups are available to the public and can be obtained from Yeoh Tiong Lay Plaza, 55 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia.

### **19 Subsequent events**

There are no subsequent events requiring disclosure in these financial statements.

### **20 Accounting Estimates and Judgements**

In preparing the financial statements and applying the accounting policies, the Company is required to make reasonable estimates and judgements based on the available information. The most significant is the asset lives used to determine depreciation disclosed in note 1.