

Gas and Power Limited

Registered number: 09735925

Financial statements

For the year ended 30 June 2019

BALANCE SHEET
AS AT 30 JUNE 2019

	Note	2019	Unaudited
		£	2018
			£
Fixed assets			
Intangible assets	4	-	103,077
Tangible assets	5	47,931	223,751
Investments	6	1	1
		<u>47,932</u>	<u>326,829</u>
Current assets			
Debtors: amounts falling due within one year	7	2,380,295	267,635
Cash at bank and in hand	8	199,241	15,598
		<u>2,579,536</u>	<u>283,233</u>
Creditors: amounts falling due within one year	9	(7,438,363)	(1,210,649)
Net current liabilities		<u>(4,858,827)</u>	<u>(927,416)</u>
Total assets less current liabilities		<u>(4,810,895)</u>	<u>(600,587)</u>
Creditors: amounts falling due after more than one year	10	-	(715,863)
Net liabilities		<u>(4,810,895)</u>	<u>(1,316,450)</u>
Capital and reserves			
Called up share capital	12	1,200	363
Share premium account	13	988,800	216,507
Profit and loss account	13	(5,800,895)	(1,533,320)
		<u>(4,810,895)</u>	<u>(1,316,450)</u>

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 financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

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 31 March 2020.

GAS AND POWER LIMITED
REGISTERED NUMBER: 09735925

BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2019

JCD Turner
Director

The notes on pages 3 to 13 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

1. General information

Gas and Power Limited (registered number 09735925) is a private limited company limited by shares, registered in England and Wales (Bowcliffe Hall, Bramham, Wetherby, LS23 6LP). The company's principal activity is the supply of electricity and gas to domestic and small business customers.

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's accounting policies (see note 3).

The prior year figures were not subject to audit as the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The following principal accounting policies have been applied:

2.2 Going concern

Notwithstanding net liabilities of £4,810,895 as at 30 June 2019 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, through continued funding from Bayford & Co Limited to meet its liabilities as they fall due.

Those forecasts are dependent on Bayford & Co Limited not seeking repayment of the amounts currently due to the Company, which as at 30 June 2019 amounted to £4,800,000, and providing additional financial support during the period as required. Bayford & Co Limited has indicated its intention to continue to make available such funds as are needed by the Company, and has confirmed it does not seek repayment of the amounts due at the balance sheet date until the Company is in a position to do so. As with any company placing reliance on other entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 month from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)

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. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 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.

2.5 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.

2.6 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 Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.7 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.

2.8 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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:

Short-term Leasehold Property	-	in line with lease term
Fixtures & fittings	-	5 years
Computer equipment	-	3-5 years

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)

2.9 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.11 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.

2.12 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.

2.13 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.

2.14 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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)

2.14 Financial instruments (continued)

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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet 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.

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

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

GAS AND POWER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

4. Intangible assets

	Development expenditure £
Cost	
At 1 July 2018	107,000
At 30 June 2019	<u>107,000</u>
Amortisation	
At 1 July 2018	3,923
Charge for the year	4,280
Impairment charge	98,797
At 30 June 2019	<u>107,000</u>
Net book value	
At 30 June 2019	<u><u>-</u></u>
At 30 June 2018	<u><u>103,077</u></u>

GAS AND POWER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

5. Tangible fixed assets

	Short-term Leasehold Property £	Fixtures & fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 July 2018	3,802	16,697	238,258	258,757
Additions	3,557	28,243	56,041	87,841
At 30 June 2019	<u>7,359</u>	<u>44,940</u>	<u>294,299</u>	<u>346,598</u>
Depreciation				
At 1 July 2018	832	1,948	32,226	35,006
Charge for the year on owned assets	4,917	5,295	61,718	71,930
Impairment charge	1,288	30,158	160,285	191,731
At 30 June 2019	<u>7,037</u>	<u>37,401</u>	<u>254,229</u>	<u>298,667</u>
Net book value				
At 30 June 2019	<u>322</u>	<u>7,539</u>	<u>40,070</u>	<u>47,931</u>
At 30 June 2018	<u>2,970</u>	<u>14,749</u>	<u>206,032</u>	<u>223,751</u>

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2018	<u>1</u>
At 30 June 2019	<u>1</u>

The investment is held in Alt Han Company Limited, an industry body. The registered office is 8 Fenchurch Place, London, England, EC3M 4AJ.

GAS AND POWER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

7. Debtors

	2019	Unaudited
	£	2018
		£
Trade debtors	1,650,504	9,119
Other debtors	642,647	110,617
Prepayments and accrued income	87,144	147,899
	<u>2,380,295</u>	<u>267,635</u>

8. Cash and cash equivalents

	2019	Unaudited
	£	2018
		£
Cash at bank and in hand	<u>199,241</u>	<u>15,598</u>

9. Creditors: Amounts falling due within one year

	2019	Unaudited
	£	2018
		£
Trade creditors	184,977	65,185
Amounts owed to participating interests	5,165,794	722,074
Other taxation and social security	38,592	-
Other creditors	1,268,974	163,076
Accruals and deferred income	780,026	260,314
	<u>7,438,363</u>	<u>1,210,649</u>

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

	2019	Unaudited
	£	2018
		£
Amounts owed to participating interests	<u>-</u>	<u>715,863</u>

GAS AND POWER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

11. Financial instruments

	2019	Unaudited
	£	2018
		£
Financial assets		
Financial assets measured at amortised cost	2,293,151	119,736
Cash and cash equivalents	199,241	15,598
	<u>2,492,392</u>	<u>135,334</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>6,619,745</u>	<u>1,666,198</u>

Financial assets measured at amortised cost comprise trade and other debtors.

Cash and cash equivalents comprises cash at bank and in hand.

Financial liabilities measured at amortised cost comprise short and long term creditors excluding accruals, taxation and social security payable.

12. Share capital

	2019	Unaudited
	£	2018
		£
Allotted, called up and fully paid		
660 (2018 - 363) ordinary A shares shares of £1.00 each	660	363
300 (2018 - nil) ordinary B shares shares of £1.00 each	300	-
240 (2018 - nil) ordinary C shares shares of £1.00 each	240	-
	<u>1,200</u>	<u>363</u>

Ordinary shares have full rights in the Company with respect to voting, dividends and distributions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

13. Reserves

Share premium account

The reserve represents consideration received for issued share capital in excess of the nominal value, less transaction costs.

Profit & loss account

The profit & loss represents cumulative profit and losses, less dividends paid.

14. 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 £45,762 (2018 - £18,421) . Contributions totalling £940 (2018 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

15. Other financial commitments

At year end the Company had future electricity and gas trade commitments to the value of £3,616,570 (2018: £874,017).

16. Related party transactions

Amounts due to related parties are as follows:

	2019	Unaudited 2018
	£	£
Entities with control, joint control or significant influence over the entity	<u>5,165,794</u>	<u>1,437,937</u>

The interest charge on the above balances amounted to £140,177 (2018: £15,863).

17. Controlling party

The company is controlled by J C D Turner through his direct shareholding and through his shareholding in Bayford & Co Limited.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

18. Auditors' information

The auditors' report on the financial statements for the year ended 30 June 2019 was unqualified.

The audit report was signed on 31 March 2020 by Shaun Mullins (Senior Statutory Auditor) on behalf of Mazars LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.