

**PF Energy Limited**

**Annual report and consolidated  
financial statements**

**Registered number 08994981**

**31 March 2017**

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## Strategic Report

### Review of the business

PFP Energy Limited reported significant growth over the year with the acquisition of over forty thousand new customers during the course of the first full year of trading. As a result, customers at year end had increased by 2.5 times and reported turnover was up to £29.7m (2016: £0.6m). However, in common with other suppliers, the gross margin remains under pressure over the year due to market entry costs and volatility as an unprecedented increase in new challenger brands enter the sector. This had a direct impact on net margin.

During the year, the business, in only its first full year of trading, was recognised as the second best energy supplier by Which consumer magazine, was rated a 4 star supplier by the Energy Help Line whilst also being recognised by the Citizen Advice Bureau for the least number of complaints. It is the only energy supplier to achieve these accolades in its first full year of operations.

Results for the period are set out on page 7:

### Key performance indicators

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

### 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.

PFP Energy Limited, in common with other energy companies, buys in the wholesale market where prices fluctuate with supply and demand. This presents a risk that if we buy off the wholesale market as and when we require supply to our customers, and wholesale prices rise sharply, we may be selling below cost. In order to mitigate this risk we operate a hedging strategy that we believe is broadly in line with other energy large companies and smooths the peaks and troughs of the wholesale market enabling us to predict with sufficient notice our supply cost so that we can adjust our selling price and also maintain buying competitiveness with other energy companies. This is achieved by buying power and gas into the future in tranches so that we have bought all of our forecast power and gas.

Cash flow risk arises from the difference in demand and payment. The majority of customers pay an equal amount each month by direct debit, but demand and usage is seasonal based on the weather. This creates peaks and troughs in working capital where at the end of winter working capital is at its lowest point. With customer growth, wholesale price volatility and weather variations, the working capital movements are difficult to forecast and therefore difficult to manage.

Credit risk arises from the possibility of customers failing to meet their obligations to the Company. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount.

By order of the board



A Gupta  
Director

Date: 20 December 2017

## **Directors' report**

### **Proposed dividend**

A dividend of £nil (2016: £nil) was paid during the period.

### **Directors**

The directors who held office during the year were as follows:

SBS Soin (resigned on 1<sup>st</sup> December 2016)

D Cowans (resigned on 1<sup>st</sup> December 2016)

CP Martin (resigned on 1<sup>st</sup> December 2016)

JE Thomasson (appointed on 1<sup>st</sup> December 2016)

A Gupta (appointed on 1<sup>st</sup> December 2016)

### **Political contributions**

Neither the Company nor any of its subsidiaries made any disclosable political donations or incurred any disclosable political expenditure during the year.

### **Disclosure of information to 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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Other information**

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 2.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

  
A Gupta  
Director

Date: 20 December 2017

Unit 2 Edward VII Quay  
Riversway  
Preston  
PR2 2YF

## Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



## **Independent auditor's report to the members of PFP Energy Limited**

We have audited the financial statements of PFP Energy Limited for the year ended 31 March 2017 set out on pages 7 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

### **Respective responsibilities of directors and auditor**

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. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2017 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Independent auditor's report to the members of PF Energy Limited (continued)

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

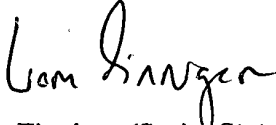
Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Liam Finnigan (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
1 St Peters Square  
Manchester  
M2 3AE

Date: 21<sup>st</sup> December 2017

**Consolidated Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 March 2017*

	<i>Note</i>	2017 £000	2016 £000
Turnover	2	29,747	604
Cost of sales		(29,464)	(465)
		<hr/>	<hr/>
Gross profit		283	139
Operating costs		(4,660)	(1,666)
		<hr/>	<hr/>
Group operating loss	3	(4,377)	(1,527)
Interest payable and similar expenses	6	(92)	(9)
		<hr/>	<hr/>
Loss before taxation		(4,469)	(1,536)
Tax on profit/(loss)	7	82	9
		<hr/>	<hr/>
Loss for the financial year		<u>(4,387)</u>	<u>(1,527)</u>

There is no other comprehensive income for the current or prior periods.

All activities relate to continuing operations.

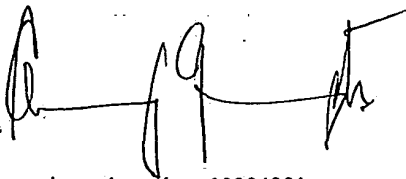


**Consolidated Balance Sheet**  
at 31 March 2017

	<i>Note</i>	<b>2017</b>		<b>2016</b>	
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>					
Tangible assets	<i>10</i>		1,122		333
Intangible assets	<i>8</i>		100		100
			<hr/>		<hr/>
			1,222		433
<b>Current assets</b>					
Debtors	<i>11</i>	7,048		384	
Cash at bank and in hand	<i>12</i>	2,200		120	
			<hr/>		<hr/>
<b>Creditors: amounts falling due within one year</b>	<i>13</i>	9,248 (16,384)		504 (1,214)	
			<hr/>		<hr/>
<b>Net current liabilities</b>			(7,136)		(710)
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			(5,914)		(277)
<b>Creditors: amounts falling due after more than one year</b>	<i>14</i>		-		(1,250)
			<hr/>		<hr/>
<b>Net liabilities</b>			(5,914)		(1,527)
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	<i>16</i>		-		-
Profit and loss account			(5,914)		(1,527)
			<hr/>		<hr/>
<b>Shareholders' funds</b>			(5,914)		(1,527)
			<hr/>		<hr/>

These financial statements were approved by the board of directors on 20 December 2017 and were signed on its behalf by:

A Gupta  
Director



Company registered number: 08994981

**Company Balance Sheet**  
*At 31 March 2017*

	<i>Note</i>	2017 £000	2016 £000	2016 £000	£000
<b>Fixed assets</b>					
Tangible assets	<i>10</i>		1,122		333
Investments	<i>9</i>		100		100
			<u>1,222</u>		<u>433</u>
<b>Current assets</b>					
Debtors	<i>11</i>	7,048		384	
Cash at bank and in hand	<i>12</i>	2,200		120	
				<u>504</u>	
<b>Creditors: amounts falling due within one year</b>	<i>13</i>	9,248 (16,384)		504 (1,214)	
<b>Net current liabilities</b>		<u>(7,136)</u>		<u>(710)</u>	
			<u>(5,914)</u>		<u>(277)</u>
<b>Total assets less current liabilities</b>					
<b>Creditors: amounts falling due after more than one year</b>	<i>14</i>	-		(1,250)	
				<u>(1,250)</u>	
<b>Net liabilities</b>			<u>(5,914)</u>		<u>(1,527)</u>
<b>Capital and reserves</b>					
Called up share capital	<i>16</i>	-			
Profit and loss account			(5,914)		(1,527)
<b>Shareholders' funds</b>			<u>(5,914)</u>		<u>(1,527)</u>

These financial statements were approved by the board of directors on 20 December 2017 and were signed on its behalf by:

A Gupta  
 Director

Company registered number 08994981

### Consolidated Statement of Changes in Equity

	Called up Share capital	Profit & loss account	Total equity
	£000	£000	£000
Balance at 1 April 2015	-	-	-
Profit or loss	-	(1,527)	(1,527)
<b>Balance at 31 March 2016</b>	<b>-</b>	<b>(1,527)</b>	<b>(1,527)</b>
Balance at 1 April 2016	-	(1,527)	(1,527)
Profit or loss	-	(4,387)	(4,387)
<b>Balance at 31 March 2017</b>	<b>-</b>	<b>(5,914)</b>	<b>(5,914)</b>

### Company Statement of Changes in Equity

	Called up Share capital	Profit & loss account	Total equity
	£000	£000	£000
Balance at 1 April 2015	-	-	-
Profit or loss	-	(1,527)	(1,527)
<b>Balance at 31 March 2016</b>	<b>-</b>	<b>(1,527)</b>	<b>(1,527)</b>
Balance at 1 April 2016	-	(1,527)	(1,527)
Profit or loss	-	(4,387)	(4,387)
<b>Balance at 31 March 2017</b>	<b>-</b>	<b>(5,914)</b>	<b>(5,914)</b>

**Consolidated Cash Flow Statement**  
*for year ended 31 March 2017*

	<i>Note</i>	<b>2017</b> <b>£000</b>	<b>2016</b> <b>£000</b>
<b>Cash flows from operating activities</b>			
(Loss) after tax		(4,387)	(1,527)
<i>Add back:</i>			
Tax (credit)		(82)	(9)
Interest expense	6	92	9
		<hr/>	<hr/>
Operating (loss) for the year		(4,377)	(1,527)
<i>Adjustments for:</i>			
Depreciation, amortisation and impairment	10	105	11
(Increase) in trade and other debtors		(6,582)	(384)
Increase in trade and other creditors		12,170	1,214
		<hr/>	<hr/>
Interest paid	7	1,316	(686)
Tax paid		(92)	(9)
		<hr/>	<hr/>
Net cash from operating activities		1,224	(686)
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Acquisition of tangible fixed assets	14	(894)	(344)
Acquisition of intangible fixed assets		-	(100)
		<hr/>	<hr/>
Net cash from investing activities		(894)	(444)
		<hr/>	<hr/>
<b>Cash flows from financing activities</b>			
Proceeds from new loan		1,750	1,250
		<hr/>	<hr/>
Net cash from financing activities		1,750	1,250
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		2,080	120
Cash and cash equivalents at 1 April 2016	13	120	-
		<hr/>	<hr/>
Cash and cash equivalents at 31 March 2017	13	2,200	120
		<hr/> <hr/>	<hr/> <hr/>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

PFP Energy Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 08994981 and the registered address is Unit 2 Edward VII Quay Riversway Preston PR2 2YF.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included;
- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included;

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

#### 1.1 *Measurement convention*

The financial statements are prepared on the historical cost basis.

#### 1.2 *Going concern*

Whilst the Company has made a loss for the year ended 31 March 2017, and have net current liabilities of £7,137,000, the financial statements have been prepared on a going concern basis.

The Company meets its day to day working capital requirements through its bank facilities and the PetroChina arrangement. The arrangement enables PFP to purchase commodity in advance in the forward markets, providing a commercial hedge against its commitments to customers.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be operate within the level of its current facilities. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

#### 1.3 *Basis of consolidation*

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2017. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.3 Basis of consolidation (continued)

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

#### 1.4 Financial instruments

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. 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.

##### *Application of the "own use" exemption*

The Company uses commodity purchase contracts to hedge its exposure to fluctuations in electricity and gas commodity prices. When commodity purchase contracts have been entered into as part of the Company's normal business activity, the Company classifies them as 'own use' contracts and therefore outside the scope of FRS 102 Sections 11 and 12. This is achieved when:

- A physical delivery takes place under such contracts
- The volumes purchased or sold under the contracts corresponds to the Company's operating requirements

#### 1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- Buildings 10 years
- Fixtures and fittings 5 years
- Computer hardware, software and infrastructure 5 years

#### 1.6 Intangible assets

Intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

#### 1.7 Employee benefits

##### *Defined contribution plans and other long term employee benefits*

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.8 Expenses

##### *Operating lease*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

##### *Finance lease*

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

##### *Interest receivable and Interest payable*

Interest payable and similar expenses include interest payable, finance expenses 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 profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

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

#### 1.9 Revenue recognition

Revenue arises from the supply of electricity and gas and related services as these costs are incurred, amounts are derived from provision of goods and services that fall within the ordinary activities of the Group. Revenue is recognised net of value added tax (VAT).

Revenue from the supply of electricity and gas is a function of end user consumption, according to meter read data and tariff rates, net of supplies which are not billable. Revenue is recognised net of sales discounts.

Accrued revenue, representing electricity 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.

All revenue arose from within the United Kingdom.

#### 1.10 Taxation

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

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.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.10 Taxation (continued)

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### 1.11 Critical accounting estimates and judgements

The key estimates and judgements made by the directors in the preparation of the financial statement are in respect of revenue recognition, and the impairment of trade receivable.

##### *Revenue recognition – estimation of usage at 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 meters readings are obtained. Revenue for the year is corrected to take account of any significant variations identified post year end.

##### *Impairment of trade receivables*

Impairment against trade receivables are recognised where the loss is probably. The Directors 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 provisioning methodology which would impact the income statement in future years.



**Notes (continued)**

**2 Turnover**

All turnover relates to the principal activity of the business.

**3 Operating loss**

Arrived at after charging:

	2017 £000	2016 £000
Depreciation of tangible fixed assets	105	11
	105	11

**4 Staff numbers and costs**

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2017	2016
Operational	48	14
Support	12	6
	60	20

The aggregate payroll costs of these persons were as follows:

	2017 £000	2016 £000
Wages and salaries	1,716	440
Social security costs	14	48
Pension costs	149	32
	1,879	520

**5 Directors' remuneration**

No directors received remuneration with respect to qualifying services provided to the Group or Company during the current or prior periods, nor any other entities within the wider group of PFP entities.

The board has considered the definition of key management personnel and conclude that the only individuals with sufficient decision making power to bind the business are the two directors.

**Notes (continued)**

**6 Interest payable and similar expenses**

	2017 £000	2016 £000
Interest expenses	92	9
<b>Total other interest payable and similar expenses</b>	<b>92</b>	<b>9</b>

**7 Taxation**

**Total tax expense recognised in the profit and loss account, other comprehensive income and equity**

	2017 £000	£000
<i>Current tax</i>		
Group relief	-	-
<b>Total current tax</b>	<b>-</b>	<b>(9)</b>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(82)	-
<b>Total deferred tax</b>	<b>(82)</b>	<b>-</b>
<b>Total tax</b>	<b>(82)</b>	<b>(9)</b>

**Reconciliation of effective tax rate**

	2017 £000	2016 £000
(Loss) before tax for the year	(4,469)	(1,536)
Tax (credit) using the UK corporation tax rate of 20% (2016: 20%)	(893)	(307)
Non-deductible expenses	20	-
Movement on deferred tax not recognised	795	266
Effect of change in tax rate	(4)	32
<b>Total tax (credit) included in profit or loss</b>	<b>(82)</b>	<b>(9)</b>

The Finance Act 2014, which was substantively enacted on 2 July 2014, included legislation that reduced the main rate of corporation tax to 20% from 1 April 2015. A further reduction to 19% (effective from 1 April 2017) was substantively enacted in Finance (No 2) Act 2015 on 26 October 2015. The main rate of corporation tax will be reduced to 17% (effective 1 April 2020) as substantively enacted in Finance Act 2016 on 6 September 2016. These changes will reduce the company's future current tax charge accordingly.

Deferred tax has not been recognised in respect of carried forward trading losses of £5,715k (2016: £1,521k).

## Notes (continued)

### 8 Intangible assets

#### Group

	Licenses £000
Cost and NBV as at 1 April 2016 and 31 March 2017	100

### 9 Fixed asset investments

PFP Energy Limited has one subsidiary being PFP Energy Supplies Limited (Company Number: 09135694). This is a wholly owned subsidiary which is incorporated in the UK. It is a dormant company with the same registered office as PFP Energy Limited.

### 10 Tangible fixed assets

#### Group and Company

	Buildings £000	Fixtures and fittings £000	Computer equipment £000	Total £000
<b>Cost</b>				
Balance at 1 April 2016	-	7	337	344
Additions	253	89	552	894
<b>Balance at 31 March 2017</b>	253	96	889	1,238
<b>Depreciation and impairment</b>				
Balance at 1 April 2016	-	-	11	11
Depreciation charge for the year	5	3	97	105
<b>Balance at 31 March 2017</b>	5	3	108	116
<b>Net book value</b>				
At 1 April 2016	-	7	326	333
<b>At 31 March 2017</b>	248	93	781	1,122

### 11 Debtors

	Group 2017 £000	2016 £000	Company 2017 £000	2016 £000
Trade debtors	1,052	260	1,052	260
Other debtors and accrued income	5,428	85	5,428	85
VAT	486	39	486	39
Deferred tax asset	82	-	82	-
	7,048	384	7,048	384

**Notes (continued)**

**12 Cash and cash equivalents**

<b>Group and Company</b>	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	2,200	120
Bank overdrafts	-	-
	<u>2,200</u>	<u>120</u>
Cash and cash equivalents per cash flow statements	<u>2,200</u>	<u>120</u>

**13 Creditors: amounts falling due within one year**

	<b>Group</b>	<b>2016</b>	<b>Company</b>	<b>2016</b>
	<b>2017</b>	<b>£000</b>	<b>2017</b>	<b>£000</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade creditors	4,487	308	4,487	308
Amounts owed to group undertakings	-	93	-	93
Other creditors and accruals	8,888	813	8,888	813
Derivative liability	9	-	9	-
Other loans	3,000	-	3,000	-
	<u>16,384</u>	<u>1,214</u>	<u>16,384</u>	<u>1,214</u>

**14 Creditors: amounts falling after more than one year**

	<b>Group</b>	<b>2016</b>	<b>Company</b>	<b>2016</b>
	<b>2017</b>	<b>£000</b>	<b>2017</b>	<b>£000</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Other loans	-	1,250	-	1,250
	<u>-</u>	<u>1,250</u>	<u>-</u>	<u>1,250</u>

**15 Operating leases**

Non-cancellable operating lease rentals are payable as follows:

	<b>Group</b>	<b>2016</b>	<b>Company</b>	<b>2016</b>
	<b>2017</b>	<b>£000</b>	<b>2017</b>	<b>£000</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Less than one year	97	71	97	71
Between one and five years	289	386	289	386
More than five years	-	-	-	-
	<u>386</u>	<u>457</u>	<u>386</u>	<u>457</u>

**Notes (continued)**

**16 Share capital**

	2017	2016
	£	£
<i>Allotted, called up and fully paid</i> 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

**17 Ultimate parent company and parent company of larger group**

The Company is a subsidiary undertaking of PFP Energy Holdings Limited, an entity incorporated in Cyprus. The ultimate controlling party is Anuj Gupta.

The largest and group in which the results of the Company and its group are consolidated is that headed PFP Energy Limited. No other group financial statements include the results of the Company.