Company Registration No. SC533489 (Scotland)

TOGETHER ENERGY LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2017

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TOGETHER ENERGY LIMITED

COMPANY INFORMATION

Directors	Paul Richards	(Appointed 25 April 2016)
	Geoff Guenther	(Appointed 25 April 2016)
Company number	SC533489	
Registered office	Erskine House North Avenue Clydebank Business Park Clydebank Dunbartonshire G81 2DR	
Auditor	Johnston Carmichael LLP 7-11 Melville Street Edinburgh EH3 7PE	

TOGETHER ENERGY LIMITED

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TOGETHER ENERGY LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	£
Fixed assets			
Tangible assets	3		18,931
Current assets			
Debtors	4	506,914	
Cash at bank and in hand		342,624	
		849,538	
Creditors: amounts falling due within one year	5	(1,697,131)	
Net current liabilities			(847,593)
Total assets less current liabilities			(828,662)
Capital and reserves			
Called up share capital	7		1,000
Share premium account			89,857
Profit and loss reserves			(919,519)
Total equity			(828,662)

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 26-JAN-2018 and are signed on its behalf by:

Paul Richards
Director

Geoff Guenther
Director

Company Registration No. SC533489

TOGETHER ENERGY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 AUGUST 2017

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Period ended 31 August 2017:					
Loss and total comprehensive income for the period		-	-	(919,519)	(919,519)
Issue of share capital	7	1,000	89,857	-	90,857
Balance at 31 August 2017		1,000	89,857	(919,519)	(828,662)

1 Accounting policies

Company information

Together Energy Limited is a private company limited by shares incorporated in Scotland. The registered office is Erskine House, North Avenue, Clydebank Business Park, Clydebank, Dunbartonshire, G81 2DR.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

1.2 Going concern

In assessing whether the financial statements should be prepared on a going concern basis, the directors have considered a period of twelve months from the date of approval of these financial statements. The principal uncertainties, which impact the company's ability to meet its liabilities as they fall due are the company's ability to meet its cashflow projections and secure additional working capital/funding over the next twelve months.

Cash flow projections

Whilst actual results and cash flows for the year to date are broadly in line with projections, there are uncertainties with regards to the assumptions used to prepare future projections, the most significant of which are as follows:

- Customer numbers. The company projects that there will be a net increase in customer numbers over the next 12 months in line with previous trends and expected success of new products.
- The cost of energy and margins. The company has entered into forward hedge deals to forward purchase its base requirements.
- Cash collections. The projections assume collections are in line with existing trends.

Additional working capital/funding

Current cashflow forecast indicate a requirement to raise additional working capital by early 2018. The directors have secured additional funding and working capital, including;

- Wholesale trading agreement. The company has concluded discussions with a supplier to provide access to working capital, including over the critical winter period. This allows the company to obtain access to collateral free long term hedging and supply arrangements for its core commodities on extended payment terms based on its current base load projections. The deal therefore provides working capital arrangements over the high usage winter period that closely match commodity costs to customer revenues, and so reduce the company's working capital requirement as well as reducing its supply price volatility risk. The company is also in the final stages of agreeing a longer term agreement with the supplier. The directors have satisfied themselves that if these discussions are not successfully concluded, based on cashflow projections, the company will continue to have sufficient resources to meet its liabilities as they fall due for at least 12 months form signing of these financial statements.
- The directors have secured or received funding commitment of £525,000 of equity and short term loan funding from its investors and third parties.

1 Accounting policies **(Continued)**

The directors are satisfied that on balance, and on the basis of the above assumptions the company will have sufficient resources to enable the company to meet its liabilities as they fall due for at least 12 months from the date of signing of these financial statements. The directors consider it is therefore appropriate to prepare the financial statements on the going concern basis.

1.3 Reporting period

These are the financial statements for the period 25 April 2016 to 31 August 2017 and are the first period of accounts prepared for the company.

1.4 Turnover

Turnover comprises the sale value of electricity and gas supplied to customers during the period exclusive of VAT and includes an estimate of the value of units supplied to properties between the date of the last meter reading and the period end.

1.5 Tangible fixed assets

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

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

Fixtures and fittings	33% straight line
Computers	33% 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 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks.

1.8 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

Financial assets classified as receivable within one year are not amortised.

1 Accounting policies **(Continued)**

Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost, less provisions for estimated irrecoverable amounts.

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.

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, 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.

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. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.9 Equity instruments

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

1.10 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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 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 stock or 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.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

1.13 Government grants

Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.14 Renewables obligations

The company recognises a liability in respect of Renewable Obligations payable to Ofgem in respect of energy supplied to customers at the ROC buy-out price or the price at which the obligation can be settled at the year end.

1 Accounting policies **(Continued)**

1.15 Derivative financial instruments and hedging

The company uses commodity purchase contracts to hedge its exposure to fluctuations in gas and electricity 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 outside the scope of FRS 102 (per FRS 102 para 12.5). This is achieved when: physical delivery takes place in accordance with the company's expected usage requirements.

Commodity contracts not qualifying as "own use" which also meet the definition of a derivative are within the scope of FRS 102 as a derivative financial instrument.

Material derivatives not qualifying as "own use" are measured at fair value on the contract date and are re-measured to fair value at a subsequent reporting dates. Changes on the fair value of derivatives are recognised in the income statement as they arise.

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 24.

3 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 25 April 2016	-
Additions	20,146
At 31 August 2017	20,146
Depreciation and impairment	
At 25 April 2016	-
Depreciation charged in the period	1,215
At 31 August 2017	1,215
Carrying amount	
At 31 August 2017	18,931

4 Debtors

	2017
Amounts falling due within one year:	**£**
Trade debtors	219,324
Amounts due from related parties	57,333
Other debtors	227,230
	503,887
Deferred tax asset	3,027
	506,914

Included in other debtors is an amount due from a director amounting to £19,422 which is further analysed at note 11.

5 Creditors: amounts falling due within one year

	2017
	£
Trade creditors	218,420
Corporation tax	6,312
Other taxation and social security	20,180
Other creditors	124,148
Customer advances	701,986
Accruals	626,085
	1,697,131

Included in other creditors is net amounts due to a director amounting to £23,252 which is further analysed at note 11. On 1 October 2017, the director utilises £50,000 of amounts input into the company for an equity investment. In addition, also included within other creditors is an amount of £100,000 which is an amount advanced by a shareholder which has subsequently been used for equity investment on 1 October 2017.

6 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets
	2017
Balances:	**£**
Accelerated capital allowances	(3,218)
Short term timing differences	6,245
	3,027

6 Deferred taxation (Continued)

Movements in the period:	**2017 £**
Liability at 25 April 2016	-
Credit to profit or loss	(3,027)
Liability/(Asset) at 31 August 2017	(3,027)

7 Called up share capital

	2017 £
Ordinary share capital	
Issued and fully paid	
1,000 Ordinary shares of £1 each	1,000

On the date of incorporation, the company issued 100 ordinary shares at £1 for a total consideration of £100. A further 900 ordinary shares were issued on 12 September 2016, 860 at £1 and 40 at £2,500 for a total consideration of £100,860.

The company incurred share issue expenses of £10,103 which have been netted against the share premium.

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Irvine Spowart.
The auditor was Johnston Carmichael LLP.

9 Operating lease commitments

Lessee

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

	2017 £
Within one year	37,466
Between two and five years	62,170
In over five years	-
	99,636

10 Directors' transactions

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Director loan	-	-	154,842	(178,094)	(23,252)
Director loan	-	-	37,710	(18,288)	19,422
		-	192,552	(196,382)	(3,830)

11 Related party transactions

Remuneration of key management personnel

	2017 £
Aggregate compensation	76,202

Transactions

During the period, commodity purchases of £1,548,281 were made from a company and other costs of £2,667 incurred, from a company which has common directors. At the year end, an amount of £57,333 was owed from this company.

12 Parent company

The company has no ultimate controlling party.