

REGISTERED NUMBER: 09812673 (England and Wales)

TONIK ENERGY LIMITED
REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD 7 OCTOBER 2015 TO 31 MARCH 2017

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FOR THE PERIOD 7 OCTOBER 2015 TO 31 MARCH 2017**

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TONIK ENERGY LIMITED
COMPANY INFORMATION
FOR THE PERIOD 7 OCTOBER 2015 TO 31 MARCH 2017

DIRECTORS: J I M Hayward
S J Perkins
C J Russell
D A Leiper

SECRETARY: Mrs S L Hayward

REGISTERED OFFICE: Fourth Floor
Lombard House
145 Great Charles Street
Birmingham
West Midlands
B3 3LP

REGISTERED NUMBER: 09812673 (England and Wales)

ACCOUNTANTS: Sephton & Company LLP
Chartered Certified Accountants
Marston House
5 Elmdon Lane
Marston Green
Solihull
West Midlands
B37 7DL

**REPORT OF THE DIRECTORS
FOR THE PERIOD 7 OCTOBER 2015 TO 31 MARCH 2017**

The directors present their report with the financial statements of the company for the period 7 October 2015 to 31 March 2017.

INCORPORATION

The company was incorporated on 7 October 2015 .

REVIEW OF BUSINESS

Tonik Energy Limited is a subsidiary of Retig Limited, a privately owned and funded business. The founders and investors share a clear view on the purpose of Tonik: to help our customers reduce their energy use and hence save money and make a wider contribution. Tonik Energy Limited first began trading in August 2016 having been through the gas and electricity industry entry processes in the first seven months of 2016. During the period between August 2016 and March 2017 key operational and technical processes and systems were proven as part of a pilot phase before scaling to over 5,000 customers by the end of March 2017. A significant amount of investment has been made to ensure systems and processes are fit for purpose for planned growth, whilst ensuring customer service standards remain industry leading. We have also invested in trialling product solutions that can help our customers' to reduce their energy bills. Initial feedback from customers during this period has been very positive, with strong customer review scores being achieved. Tonik Energy Limited prides itself on being a forward thinking and customer centric organisation, and customer uptake and satisfaction has reflected that during this period. Whilst the energy sector continues to be a highly politicised environment with new competitors coming into the market frequently, we firmly believe that the purpose of the business gives customers a positive choice in a crowded market, and that the organisation and infrastructure established will continue to deliver sustainable growth.

DIRECTORS

The directors who have held office during the period from 26 September 2015 to the date of this report are as follows:

J I M Hayward - appointed 1 August 2016
S J Perkins - appointed 1 August 2016
J A Slade - appointed 7 October 2015 - resigned 1 August 2016
C J Russell - appointed 1 August 2016
D A Leiper - appointed 26 May 2017

D A Leiper was appointed as a director after 31 March 2017 but prior to the date of this report.

**REPORT OF THE DIRECTORS
FOR THE PERIOD 7 OCTOBER 2015 TO 31 MARCH 2017**

PRINCIPAL RISKS AND UNCERTAINTIES

Risks and uncertainties are identified, reviewed, managed by the in-house management team regularly and at the board. There are numerous risks, both internal and external that need constant assessment and attention. Principally these include the following.

Operational risks

Operational issues and risks have caused energy suppliers significant issues historically. Tonik Energy Limited reviews key operational performance metrics and customer demand to identify early any potential issues or risks, and works closely with third party service providers to manage any ecosystem threats. Ensuring sufficient resources are in place to sustain both growth and strong customer service is a focus of the management team on a weekly basis, with controls and processes in place to manage ongoing.

Technology and infrastructure risks

A significant proportion of our critical infrastructure is securely hosted by large third party cloud service providers. This provides a high degree of flexibility, scalability, security and resilience. Steps have been taken to limit the amount of sensitive data that we hold to further reduce the impact of any cyber attacks.

Regulatory risks

The energy sector continues to be the focus of significant political, environment and regulatory focus. The management team and board are experienced in managing regulatory pressures and targets, and engage pro-actively where possible and appropriate. The management team also take external advice on regulatory and compliance matters.

Market and commercial risks

There are multiple risks in the commercial area. Market risk is managed with our counterparty through regular review and in accordance with an agreed hedging strategy. During the majority of this period we were below the trading threshold however began buying forward as soon as the thresholds were crossed. The intention is to ensure that we hedge our sold contracts forward on the market and back off market risk in that way. Competitor risk is partially mitigated through our strong performance to date, lean operational performance and differentiating propositions.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF:

C J Russell - Director

21 June 2017

TONIK ENERGY LIMITED (REGISTERED NUMBER: 09812673)

STATEMENT OF FINANCIAL POSITION
31 MARCH 2017

	Notes	£	£
FIXED ASSETS			
Property, plant and equipment	3		4,308
CURRENT ASSETS			
Debtors	4	505,760	
Cash at bank		<u>234,016</u>	
		739,776	
CREDITORS			
Amounts falling due within one year	5	<u>1,922,891</u>	
NET CURRENT LIABILITIES			<u>(1,183,115)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(1,178,807)</u>
CAPITAL AND RESERVES			
Called up share capital			100
Retained earnings			<u>(1,178,907)</u>
			<u>(1,178,807)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 March 2017.

The members have not required the company to obtain an audit of its financial statements for the period ended 31 March 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved and authorised for issue by the Board of Directors on 21 June 2017 and were signed on its behalf by:

C J Russell - Director

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 7 OCTOBER 2015 TO 31 MARCH 2017

1. **STATUTORY INFORMATION**

Tonik Energy Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in compliance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention and on a going concern basis.

Revenue recognition

Revenue from the supply of gas and electricity is a function of end user consumption (according to meter read data) and tariff rates (specified by the contract terms) net of supplies that are not billable. Revenue is recognised net of sales discounts, VAT and other sales-related taxes.

In accordance with industry practice revenue is recorded on the basis of estimated annual consumption information supplied by the energy industry. The estimated annual consumption is based on a range of factors including industry information, meter readings and coefficients that account for usage of particular periods in the year. Revenue (both current period and future estimation) is subsequently amended based on realised customer billings as more precise data becomes available on actual consumption through to the period of final settlement.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and revenue can be reasonably estimated for the supply of gas and electricity based on estimated industry data flows for the period.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is provided when assets become available for use in the manner intended by management at rates calculated to write off the cost of the asset over its expected useful economic life as follows:

Plant and machinery	25% straight line
Computer equipment	33% straight line

Deferred taxation

Deferred tax assets and liabilities are in general recognised where the carry amount of an asset or liability in the statement of financial position differs from its tax base.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted. 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.

In addition, deferred taxes are recognised on tax deductible tax loss carry forwards to the extent that a future reversal leading to a reduction of tax expense is expected with high probability.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 7 OCTOBER 2015 TO 31 MARCH 2017

2. ACCOUNTING POLICIES - continued

Going concern

At 31 March 2017 the statement of financial position showed net liabilities exceeding total assets. However, the accounts have been prepared under the going concern basis, on the assumption that continued support will be forthcoming from the parent company, shareholders and the creditors.

3. PROPERTY, PLANT AND EQUIPMENT

COST

Additions

Plant and
machinery
£

4,400

At 31 March 2017

4,400

DEPRECIATION

Charge for period

92

At 31 March 2017

92

NET BOOK VALUE

At 31 March 2017

4,308

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Credit cover

£
222,076

Deferred tax asset

276,534

Prepayments

7,150

505,760

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade payables

£
393,606

Amounts owed to group undertakings

1,434,289

Social security and other taxes

34,085

Other creditors

60,911

1,922,891

6. CONTROLLING PARTY

The company is a wholly owned subsidiary of Retig Limited. Retig Limited's Registered Office and principal place of business is Fourth Floor, Lombard House, 145 Great Charles Street, Birmingham, B3 3LP.

**CHARTERED CERTIFIED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
TONIK ENERGY LIMITED**

The following reproduces the text of the report prepared for the directors and members in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Statement of Financial Position. Readers are cautioned that the Income Statement and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Tonik Energy Limited for the period ended 31 March 2017 which comprise the Income Statement, Statement of Financial Position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <http://www.accaglobal.com/rulebook>.

This report is made solely to the Board of Directors of Tonik Energy Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Tonik Energy Limited and state those matters that we have agreed to state to the Board of Directors of Tonik Energy Limited, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at <http://www.accaglobal.com/factsheet163>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Tonik Energy Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Tonik Energy Limited. You consider that Tonik Energy Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the financial statements of Tonik Energy Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Sephton & Company LLP
Chartered Certified Accountants
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5 Elmdon Lane
Marston Green
Solihull
West Midlands
B37 7DL

21 June 2017

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.