

Company Registration No. 07513319 (England and Wales)

ECONOMY ENERGY TRADING LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2014



ECONOMY ENERGY TRADING LIMITED

COMPANY INFORMATION

Director	Ms L Khilji
Company number	07513319
Registered office	164 Avenue H National Agricultural Centre Stoneleigh Park Kenilworth CV8 2RG
Auditors	Baldwin McCranor Limited Clifford House 38-44 Binley Road Coventry CV3 1JA

ECONOMY ENERGY TRADING LIMITED

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ECONOMY ENERGY TRADING LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2014

The director presents the strategic report and financial statements for the year ended 31 March 2014.

Review of the business

Business Review

The results for the year and the financial position of the Company are shown in the following financial statements.

During the year under review, the Company made significant progress in growing electricity and gas sales to residential customers. Revenue for the year was £31,203,028 (31 March 2013: £2,752,312), which, after administrative expenses of £2,233,385 (2013: £216,660), resulted in an operating profit of £305,104 (2013: £(115,464))

The business has continued to invest heavily in staff, IT systems and infra structure in order to ensure that its customers receive a first class service. During the year, the business relocated to new premises in order to accommodate both a new call centre and administrative functions under the same roof.

Objectives and strategy

The objective of the Company is to deliver long term value to shareholders and investors whilst providing competitive pricing and outstanding service to its customers. Management's strategy to achieve those objectives is based upon continual monitoring and improvement of price and service together with the development of a highly skilled, knowledgeable and motivated workforce.

Markets

The UK market for the supply of energy is highly competitive and highly regulated. The director is confident that strategies and systems have been implemented to ensure that the Company can continue to maintain a competitive edge.

Key performance indicators ("KPI"s)

Progress against achievement of objectives and strategy is monitored by means of KPIs together with a process of continued review of operations. Key financial performance indicators include;

	2014	2013
	£000	£000
Revenue	31,203	2,752
Gross margin	8.14%	3.68%
Net funds/ debt	3,118	(46)

Risks to achieving the Company's objectives

Risk is inherent in all businesses. Risks are constantly considered and monitored by the board and the senior management team in order that processes can be implemented to mitigate them. The director considers the principal risks to the Company achieving its objectives are those identified below. It is also recognised, however, that the nature of those risks changes and that there may be additional risks not yet identified or risks currently considered immaterial, that may impact on the business;

ECONOMY ENERGY TRADING LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

- a** *Economic environment*
The economic environment, and changes to it, can impact upon customer spending. The directors seek to mitigate this risk by means of investment in systems and by ensuring that its offering remains competitive.
- b** *Managing customer expectations*
The business has invested heavily and, continues to invest, in both systems and people to ensure the customer experience is both monitored and improved.
- c** *Competition*
The Company monitors both the activities of new entrants to the market and of existing competition to ensure that it is able to maintain and expand its own market position.
- d** *Cash flow and liquidity risk*
The Company is currently debt free. Cash flow forecasts are produced on a regular basis, and are updated at least weekly, to ensure that liquidity is maintained and that longer term and strategic funding requirements are identified.
- e** *Employees*
The board recognises the importance of a well trained, knowledgeable and highly motivated workforce. Consequently, it is committed to attracting, developing and maintaining staff of the highest calibre.
- f** *Volume and price risks*
Fixed price energy is obtained to match demand in accordance with an agreed hedging strategy.
- g** *Regulatory and legislative risk*
In common with all energy supply business, the Company is subject to extensive regulatory requirements across all areas of its operations. Failure to comply with those requirements can have serious consequences not least being financial and reputational damage. Consequently, the board continues to direct increasing resources towards ensuring that there is a compliance regime that monitors and, where possible, mitigates such risks.



Ms L. Khilji
Director

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ECONOMY ENERGY TRADING LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2014

The director presents her report and financial statements for the year ended 31 March 2014.

Principal activities

The principal activity of the company is that of trading in energy sources.

Results and dividends

The results for the year are set out on page 7.

Director

The following director has held office since 1 April 2013:

Ms L Khilji

Mr P Cooke

(Appointed 27 November 2013 and resigned 30 May 2014)

Despite the fact that the company currently has a single statutory director, management of the business is based upon a formal board structure. In addition to the statutory director, the board includes senior members of the management team and external advisors.

Auditors

In accordance with the company's articles, a resolution proposing that Baldwin McCranor Limited be reappointed as auditors of the company will be put at a General Meeting.

Statement of director's responsibilities

The director is responsible for preparing the Strategic Report, Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless she is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 her to ensure that the financial statements comply with the Companies Act 2006. She is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ECONOMY ENERGY TRADING LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that she ought to have taken as director in order to make herself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



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Ms L Khilji
Director
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ECONOMY ENERGY TRADING LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ECONOMY ENERGY TRADING LIMITED

We have audited the financial statements of Economy Energy Trading Limited for the year ended 31 March 2014 set out on pages 7 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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 director and auditors

As explained more fully in the Director's Responsibilities Statement set out on pages 3 - 4, the director is 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Other matters

In the previous accounting period the director of the company took advantage of audit exemption under s477 of the Companies Act. Therefore the prior period financial statements were not subject to audit.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ECONOMY ENERGY TRADING LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF ECONOMY ENERGY TRADING LIMITED

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, 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.



Mr John Edwards (Senior Statutory Auditor)
for and on behalf of Baldwin McCranor Limited

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Chartered Certified Accountants
Statutory Auditor

Clifford House
38-44 Binley Road
Coventry
CV3 1JA

ECONOMY ENERGY TRADING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 £	2013 £
Turnover	2	31,203,028	2,752,312
Cost of sales		(28,664,491)	(2,651,116)
Gross profit		2,538,537	101,196
Administrative expenses		(2,233,385)	(216,660)
Operating profit/(loss)	3	305,152	(115,464)
Other interest receivable and similar income	4	661	27
Interest payable and similar charges	5	(709)	(172)
Profit/(loss) on ordinary activities before taxation		305,104	(115,609)
Tax on profit/(loss) on ordinary activities	6	(39,632)	-
Profit/(loss) for the year	15	265,472	(115,609)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

ECONOMY ENERGY TRADING LIMITED

BALANCE SHEET

AS AT 31 MARCH 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	7		141,541		4,954
Investments	8		2		-
			<u>141,543</u>		<u>4,954</u>
Current assets					
Stocks	9	112,577		74,808	
Debtors	10	1,840,119		206,617	
Cash at bank and in hand		3,121,173		16,994	
		<u>5,073,869</u>		<u>298,419</u>	
Creditors: amounts falling due within one year	11	<u>(5,042,694)</u>		<u>(364,689)</u>	
Net current assets/(liabilities)			<u>31,175</u>		<u>(66,270)</u>
Total assets less current liabilities			<u>172,718</u>		<u>(61,316)</u>
Creditors: amounts falling due after more than one year	12		(3,201)		(62,947)
Provisions for liabilities	13		<u>(28,308)</u>		<u>-</u>
			<u>141,209</u>		<u>(124,263)</u>
Capital and reserves					
Called up share capital	14		40,100		40,100
Profit and loss account	15		101,109		(164,363)
Shareholders' funds	16		<u>141,209</u>		<u>(124,263)</u>

Approved by the Board and authorised for issue on



Ms L Khilji
Director

Company Registration No. 07513319

ECONOMY ENERGY TRADING LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

	2014	2013
	£	£
Net cash inflow/(outflow) from operating activities	3,313,394	(19,602)
Returns on investments and servicing of finance		
Interest received	661	27
Interest paid	(709)	(172)
Net cash outflow for returns on investments and servicing of finance	(48)	(145)
Capital expenditure and financial investment		
Payments to acquire tangible assets	(149,692)	(4,284)
Payments to acquire investments	(2)	-
Receipts from sales of tangible assets	273	-
Net cash outflow for capital expenditure	(149,421)	(4,284)
Net cash inflow/(outflow) before management of liquid resources and financing	3,163,925	(24,031)
Financing		
Issue of ordinary share capital	-	30,000
Other new long term loans	-	11,025
Repayment of other long term loans	(59,746)	-
Net cash (outflow)/inflow from financing	(59,746)	41,025
Increase in cash in the year	3,104,179	16,994

ECONOMY ENERGY TRADING LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

1 Reconciliation of operating profit/(loss) to net cash (outflow)/inflow from operating activities	2014	2013
	£	£
Operating profit/(loss)	305,152	(115,464)
Depreciation of tangible assets	12,832	1,724
Increase in stocks	(37,769)	(74,808)
Increase in debtors	(1,633,502)	(186,922)
Increase in creditors within one year	4,666,681	355,868
Net cash inflow/(outflow) from operating activities	<u>3,313,394</u>	<u>(19,602)</u>

2 Analysis of net funds/(debt)	1 April 2013	Cash flow	Other non-cash changes	31 March 2014
	£	£	£	£
Net cash:				
Cash at bank and in hand	16,994	3,104,179	-	3,121,173
Bank deposits	-	-	-	-
Debt:				
Debts falling due after one year	(62,947)	59,746	-	(3,201)
Net (debt)/funds	<u>(45,953)</u>	<u>3,163,925</u>	<u>-</u>	<u>3,117,972</u>

3 Reconciliation of net cash flow to movement in net funds/(debt)	2014	2013
	£	£
Increase in cash in the year	3,104,179	16,994
Cash outflow/(inflow) from decrease/(increase) in debt	59,746	(11,026)
Movement in net funds/(debt) in the year	<u>3,163,925</u>	<u>5,968</u>
Opening net debt	(45,953)	(51,921)
Closing net funds/(debt)	<u>3,117,972</u>	<u>(45,953)</u>

ECONOMY ENERGY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	
Computer equipment	- 33% straight line
Fixtures, fittings & equipment	- 25% reducing balance

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit/(loss)

	2014	2013
	£	£
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	12,832	1,724
Auditors' remuneration (including expenses and benefits in kind)	26,250	-
	<u> </u>	<u> </u>

ECONOMY ENERGY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

4	Investment income	2014 £	2013 £
	Bank interest	661	27
		<u>661</u>	<u>27</u>
		<u><u>661</u></u>	<u><u>27</u></u>
5	Interest payable	2014 £	2013 £
	On bank loans and overdrafts	709	172
		<u>709</u>	<u>172</u>
6	Taxation	2014 £	2013 £
	Domestic current year tax		
	U.K. corporation tax	11,324	-
		<u>11,324</u>	<u>-</u>
	Total current tax	11,324	-
	Deferred tax		
	Origination and reversal of timing differences	28,308	-
		<u>28,308</u>	<u>-</u>
		<u><u>39,632</u></u>	<u><u>-</u></u>
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	305,104	(115,609)
		<u>305,104</u>	<u>(115,609)</u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00% (2013 - 24.00%)	70,174	(27,746)
		<u>70,174</u>	<u>(27,746)</u>
	Effects of:		
	Non deductible expenses	211	157
	Depreciation add back	2,952	414
	Capital allowances	(21,528)	(1,028)
	Tax losses utilised	(38,786)	28,203
	Other tax adjustments	(1,699)	-
		<u>(58,850)</u>	<u>27,746</u>
		<u><u>(58,850)</u></u>	<u><u>27,746</u></u>
	Current tax charge for the year	11,324	-
		<u>11,324</u>	<u>-</u>
		<u><u>11,324</u></u>	<u><u>-</u></u>

The company has estimated losses of £ nil (2013 - £ 168,635) available for carry forward against future trading profits.

ECONOMY ENERGY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

7 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 April 2013	-	5,690	2,065	7,755
Additions	55,772	52,899	41,016	149,687
Disposals	-	(317)	-	(317)
At 31 March 2014	55,772	58,272	43,081	157,125
Depreciation				
At 1 April 2013	-	2,233	567	2,800
On disposals	-	(44)	-	(44)
Charge for the year	-	10,085	2,743	12,828
At 31 March 2014	-	12,274	3,310	15,584
Net book value				
At 31 March 2014	55,772	45,998	39,771	141,541
At 31 March 2013	-	3,456	1,498	4,954

8 Fixed asset investments

	Unlisted investments £
Cost	
At 1 April 2013	-
Additions	2
At 31 March 2014	2
Net book value	
At 31 March 2014	2

ECONOMY ENERGY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

9	Stocks	2014	2013
		£	£
	Finished goods and goods for resale	112,577	74,808
		<u> </u>	<u> </u>
10	Debtors	2014	2013
		£	£
	Trade debtors	1,138,311	157,666
	Called up share capital not paid	-	40,100
	Other debtors	662,951	8,121
	Prepayments and accrued income	38,857	730
		<u> </u>	<u> </u>
		1,840,119	206,617
		<u> </u>	<u> </u>
11	Creditors: amounts falling due within one year	2014	2013
		£	£
	Trade creditors	1,040,072	184,615
	Corporation tax	11,324	-
	Other taxes and social security costs	20,034	67,802
	Accruals and deferred income	3,971,264	112,272
		<u> </u>	<u> </u>
		5,042,694	364,689
		<u> </u>	<u> </u>
12	Creditors: amounts falling due after more than one year	2014	2013
		£	£
	Other loans	3,201	62,947
		<u> </u>	<u> </u>

ECONOMY ENERGY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

13 Provisions for liabilities

	Deferred tax liability £
Profit and loss account	28,308
Balance at 31 March 2014	<u>28,308</u>

The deferred tax liability is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	<u>28,308</u>	<u>-</u>

Contingent liabilities

The company is regulated by Ofgem. In common with many other operators in its industry Economy Energy Trading Limited was the subject of a regulatory order during the year. On 12 December 2014 the order was materially revoked. Ofgem could, if it so decided, impose an associated financial penalty. At the date of her report the director had not been notified of any penalties and is unable to quantify any likely penalty should the regulator decide it to be an appropriate course of action.

14 Share capital

	2014 £	2013 £
Allotted, called up and fully paid 40,100 Ordinary of £1 each	<u>40,100</u>	<u>40,100</u>

15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2013	(164,363)
Profit for the year	<u>265,472</u>
Balance at 31 March 2014	<u>101,109</u>

ECONOMY ENERGY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

16 Reconciliation of movements in shareholders' funds	2014	2013
	£	£
Profit/(Loss) for the financial year	265,472	(115,609)
Proceeds from issue of shares	-	30,000
	<hr/>	<hr/>
Net addition to/(depletion in) shareholders' funds	265,472	(85,609)
Opening shareholders' funds	(124,263)	(38,654)
	<hr/>	<hr/>
Closing shareholders' funds	141,209	(124,263)
	<hr/> <hr/>	<hr/> <hr/>

17 Director's remuneration	2014	2013
	£	£
Remuneration for qualifying services	88,750	15,000
	<hr/> <hr/>	<hr/> <hr/>

18 Employees

Number of employees

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

	2014	2013
	Number	Number
Employees	25	5
	<hr/> <hr/>	<hr/> <hr/>

Employment costs

	2014	2013
	£	£
Wages and salaries	543,253	104,580
Social security costs	37,946	1,861
	<hr/>	<hr/>
	581,199	106,441
	<hr/> <hr/>	<hr/> <hr/>

19 Control

Director Ms L. Khilji controls the company by virtue of owning 99.88% of the issued share capital.

20 Related party relationships and transactions

The amount payable to Ms L. Khilji on her director's current account at 31st March 2014 was £ 3,201 (2013: £ 62,947). The loan is not interest bearing and is unsecured.