

**PEOPLE'S ENERGY (SUPPLY)
LIMITED (FORMERLY KNOWN AS
MONUMENT ENERGY LIMITED)**

**UNAUDITED FINANCIAL
STATEMENTS**

FOR THE PERIOD ENDED 31 DECEMBER 2017

PAGES FOR FILING WITH REGISTRAR

**COMPANIES HOUSE
EDINBURGH**

30 NOV 2018

FRONT DESK



PEOPLE'S ENERGY (SUPPLY) LIMITED (FORMERLY KNOWN AS MONUMENT ENERGY LIMITED)

COMPANY INFORMATION

| | | |
|--------------------------|---|---|
| Directors | Mr David Pike Dr Karin Sode Mr Duncan French | (Appointed 20 March 2017) (Appointed 28 June 2017) (Appointed 28 June 2017) |
| Company number | 09844617 | |
| Registered office | Kemp House 152-160 City Road London United Kingdom EC1V 2NX | |
| Accountants | Johnston Carmichael LLP 7-11 Melville Street Edinburgh EH3 7PE | |

**PEOPLE'S ENERGY (SUPPLY) LIMITED (FORMERLY KNOWN AS
MONUMENT ENERGY LIMITED)**

CONTENTS

| | Page |
|-----------------------------------|-------------|
| Balance sheet | 1 |
| Statement of changes in equity | 2 |
| Notes to the financial statements | 3 - 7 |

**PEOPLE'S ENERGY (SUPPLY) LIMITED (FORMERLY KNOWN AS
MONUMENT ENERGY LIMITED)**

BALANCE SHEET

AS AT 31 DECEMBER 2017

| | Notes | 2017 £ | £ | 2016 £ | £ |
|---|-------|------------------|-----------------|------------|------------|
| Current assets | | | | | |
| Debtors | 3 | 234,783 | | 100 | |
| Cash at bank and in hand | | 210,584 | | - | |
| | | <u>445,367</u> | | <u>100</u> | |
| Creditors: amounts falling due within one year | 4 | <u>(476,184)</u> | | - | |
| Net current (liabilities)/assets | | | <u>(30,817)</u> | | <u>100</u> |
| Capital and reserves | | | | | |
| Called up share capital | 5 | | 100 | | 100 |
| Profit and loss reserves | | | <u>(30,917)</u> | | - |
| Total equity | | | <u>(30,817)</u> | | <u>100</u> |

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

For the financial period ended 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

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 30/11/18 and are signed on its behalf by:

David Pike

Mr David Pike
Director

Company Registration No. 09844617

**PEOPLE'S ENERGY (SUPPLY) LIMITED (FORMERLY KNOWN AS
MONUMENT ENERGY LIMITED)**

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2017**

| | Notes | Share capital £ | Profit and loss reserves £ | Total £ |
|--|-------|-----------------------|-------------------------------------|------------|
| Balance at 27 October 2015 | | - | - | - |
| Period ended 31 October 2016: | | | | |
| Profit and total comprehensive income for the period | | - | - | - |
| Issue of share capital | 5 | 100 | - | 100 |
| Balance at 31 October 2016 | | 100 | - | 100 |
| Period ended 31 December 2017: | | | | |
| Loss and total comprehensive income for the period | | - | (30,917) | (30,917) |
| Balance at 31 December 2017 | | 100 | (30,917) | (30,817) |

PEOPLE'S ENERGY (SUPPLY) LIMITED (FORMERLY KNOWN AS MONUMENT ENERGY LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

People's Energy (Supply) Limited (formerly known as Monument Energy Limited) is a private company limited by shares incorporated in England and Wales. The registered office is Kemp House, 152-160 City Road, London, United Kingdom, EC1V 2NX.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

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 Directors assessment of going concern is dependent on The People's Energy Company Limited, its parent company, being a going concern and continuing to provide the business with its continued financial support. The company's parent undertaking has confirmed in writing its willingness to continue its support of the business for at least twelve months from the signing of these financial statements. Below is an extract of The People's Energy Company Limited assessment of going concern which includes a number of material uncertainties.

The People's Energy Company Limited- Going concern disclosure

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 significant net increase in customer numbers over the next 12 months in line with previous trends. In addition, customer attrition rates will continue at their current rates.*
- *The cost of energy and margins. The company has entered into forward contracts to purchase its base requirements for the winter. However it is noted that if there is a prolonged cold spell during the winter period this would adversely impact the company's cashflow projections requiring the company to either source additional funding or extend credit terms over the short term with suppliers.*
- *Cash collections. The projections assume collections are in line with existing trends.*

PEOPLE'S ENERGY (SUPPLY) LIMITED (FORMERLY KNOWN AS MONUMENT ENERGY LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Additional working capital/funding

Current cashflow forecasts do not indicate there is a requirement to raise additional working capital. However if the company experiences a prolonged cold period during the winter this would impact the current projected financial headroom. The directors are therefore currently looking to secure additional funding and working capital before the end of this calendar year and have commenced discussions with a number of funders.

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.

The directors of People's Energy (Supply) Limited have carefully assessed The People's Energy Company Limited going concern assessment and on balance, have concluded that it is likely that 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 director's are therefore satisfied that it is appropriate to prepare the financial statements on a going concern basis.

1.3 Reporting period

The accounting period covers 1 November 2016 to 31 December 2017, the accounting period end date was changed to align to that of its parent company, The People's Energy Company Limited.

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 value of units supplied to customers during the period between the date of the last meter read and the period end.

1.5 Cash at bank and in hand

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

1.6 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.

Trade receivables

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

PEOPLE'S ENERGY (SUPPLY) LIMITED (FORMERLY KNOWN AS MONUMENT ENERGY LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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 and loans from fellow group companies, 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.

1.7 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.

1.8 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.

1.9 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 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**PEOPLE'S ENERGY (SUPPLY) LIMITED (FORMERLY KNOWN AS
MONUMENT ENERGY LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2017

2 Judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Revenue recognition

Given the nature of the industry, there is a degree of estimation involved in the recognition of revenue. Energy sales are based on regular meter readings. Revenue recognised for the supply of electricity and gas represents the value of actual units billed to customers from the billing system, and an estimate of the value of units unbilled. The calculation of these estimates required judgements to be made with regards to the energy used by customer between the last meter reading and period end. These units were reconciled to those charged by the industry.

Customer debtor provisioning

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Calculation of the bad debt provision requires judgement to be made around the recovery of debts based upon their ageing and debt profile.

3 Debtors

| | 2017 | 2016 |
|---|----------------|------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 190,185 | - |
| Other debtors | 44,598 | 100 |
| | <u>234,783</u> | <u>100</u> |

4 Creditors: amounts falling due within one year

| | 2017 | 2016 |
|-----------------------------------|----------------|----------|
| | £ | £ |
| Trade creditors | 60,490 | - |
| Amounts due to group undertakings | 3,647 | - |
| Other creditors | 374,687 | - |
| Customer advances | 37,360 | - |
| | <u>476,184</u> | <u>-</u> |

5 Called up share capital

| | 2017 | 2016 |
|----------------------------------|------------|------------|
| | £ | £ |
| Ordinary share capital | | |
| Issued and not fully paid | | |
| 100 Ordinary shares of £1 each | 100 | 100 |
| | <u>100</u> | <u>100</u> |

PEOPLE'S ENERGY (SUPPLY) LIMITED (FORMERLY KNOWN AS MONUMENT ENERGY LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2017

6 Profit and loss reserve

Includes all current and prior year retained earnings.

7 Related party transactions

The company has taken advantage of the exemption within FRS 102 section 33 paragraph 33.1A from the requirements to disclose transactions with other wholly owned companies in the same group.

8 Parent company

The parent company of People's Energy (Supply) Limited (formerly known as Monument Energy Limited) is The People's Energy Company Limited and its registered office is Hercules House, Station Road, Musselburgh, Scotland, EH21 7PB.

The ultimate controlling party is David Pike.