Company Registration No. 08520118 (England and Wales)

# E (GAS AND ELECTRICITY) LIMITED

# ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 31 MARCH 2016

# E (GAS AND ELECTRICITY) LIMITED

## COMPANY INFORMATION

| | | |
|---|---|---|
| **Directors** | Mr P A W Cooke | |
| | Ms C Proffitt | (Appointed 4 July 2016) |
| **Company number** | 08520118 | |
| **Registered office** | T3 Trinity Park<br>Bickenhill Lane<br>Birmingham<br>B37 7ES | |
| **Accountants** | Baldwins (Coventry) Limited<br>Clifford House<br>38-44 Binley Road<br>Coventry<br>CV3 1JA | |

# E (GAS AND ELECTRICITY) LIMITED

## CONTENTS

# E (GAS AND ELECTRICITY) LIMITED

## DIRECTORS' REPORT

### *FOR THE YEAR ENDED 31 MARCH 2016*

The directors present their annual report and financial statements for the year ended 31 March 2016.

**Principal activities**
The principal activity of the company continued to be that of trading in energy sources.

The company was incorporated on 8th May 2013, and for the first period of accounts did not trade. The company started to generate revenue from August 2014.

**Directors**
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

| | |
|---|---|
| Mr P A W Cooke | |
| Ms C Proffitt | (Appointed 4 July 2016) |

At 31 March 2016, the company had net liabilities of £95,578, due to the losses made in the prior year. The directors believe that the company will continue to be profitable and that the company has adequate financial resources to continue in business for the foreseeable future. Accordingly, the director considers that it is appropriate to continue to adopt the going concern in preparing the financial statements.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Mr P A W Cooke
**Director**
2 February 2017

# E (GAS AND ELECTRICITY) LIMITED

## REPORT TO THE DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY ACCOUNTS OF E (GAS AND ELECTRICITY) LIMITED

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of E (Gas and Electricity) Limited for the year ended 31 March 2016 set out on pages 3 to 13 from the company's accounting records and from information and explanations you have given us.

This report is made solely to the Board of Directors of E (Gas and Electricity) Limited, as a body, in accordance with the terms of our engagement letter dated 29 July 2014. Our work has been undertaken solely to prepare for your approval the financial statements of E (Gas and Electricity) Limited and state those matters that we have agreed to state to the Board of Directors of E (Gas and Electricity) Limited, as a body, in this report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than E (Gas and Electricity) Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that E (Gas and Electricity) 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 profit of E (Gas and Electricity) Limited. You consider that E (Gas and Electricity) Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of E (Gas and Electricity) 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.

**Baldwins (Coventry) Limited**

2 February 2017

**Accountants**

Clifford House
38-44 Binley Road
Coventry
CV3 1JA

# E (GAS AND ELECTRICITY) LIMITED

## PROFIT AND LOSS ACCOUNT

***FOR THE YEAR ENDED 31 MARCH 2016***

| | | | period |
|---|---|---|---|
| | | **31 March 2016** | **31 March 2015** |
| | **Notes** | **£** | **£** |
| **Turnover** | | 39,166,606 | 8,404,393 |
| Cost of sales | | (35,854,545) | (8,444,912) |
| **Gross profit/(loss)** | | 3,312,061 | (40,519) |
| Administrative expenses | | (2,882,535) | (491,122) |
| Interest receivable and similar income | | 1,925 | 43 |
| Interest payable and similar expenses | | (4,424) | (307) |
| **Profit/(loss) before taxation** | | 427,027 | (531,905) |
| Taxation | | (90,515) | 112,269 |
| **Profit/(loss) for the financial year** | | 336,512 | (419,636) |

# E (GAS AND ELECTRICITY) LIMITED

## BALANCE SHEET

### *AS AT 31 MARCH 2016*

| | Notes | 2016 £ | 2016 £ | 2015 £ | 2015 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Intangible assets | **3** | | 11,459 | | - |
| Tangible assets | **4** | | 113,503 | | 20,225 |
| Investments | **5** | | 2 | | 2 |
| | | | 124,964 | | 20,227 |
| **Current assets** | | | | | |
| Debtors | | 5,330,217 | | 1,236,155 | |
| Cash at bank and in hand | | 4,637,507 | | 480,742 | |
| | | 9,967,724 | | 1,716,897 | |
| **Creditors: amounts falling due within one year** | | (10,210,020) | | (2,281,483) | |
| **Net current liabilities** | | | (242,296) | | (564,586) |
| **Total assets less current liabilities** | | | (117,332) | | (544,359) |
| **Provisions for liabilities** | | | 21,754 | | 112,269 |
| **Net liabilities** | | | (95,578) | | (432,090) |
| **Capital and reserves** | | | | | |
| Called up share capital | **7** | | 4 | | 4 |
| Profit and loss reserves | | | (95,582) | | (432,094) |
| **Total equity** | | | (95,578) | | (432,090) |

In accordance with section 444 of the Companies Act 2006 all of the members of the company have consented to the preparation of abridged financial statements pursuant to paragraph 1A of Schedule 1 to the Small Companies and Groups (Accounts and Directors' Report) Regulations (S.I. 2008/409)(b).

# E (GAS AND ELECTRICITY) LIMITED

## BALANCE SHEET (CONTINUED)

### *AS AT 31 MARCH 2016*

For the financial year ended 31 March 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

Directors' responsibilities:

- • The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared 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 2 February 2017 and are signed on its behalf by:

Mr P A W Cooke
**Director**

**Company Registration No. 08520118**

### 1 Accounting policies

**Company information**
E (Gas and Electricity) Limited is a private company limited by shares incorporated in England and Wales. The registered office is T3 Trinity Park, Bickenhill Lane, Birmingham, B37 7ES.

### 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 a mounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2016 are the first financial statements of E (Gas and Electricity) Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 June 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

### 1.2 Turnover

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

### 1.3 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation 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:

| | |
|---|---|
| Software | straight line over 3 years |

### 1.4 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.

**1 Accounting policies** **(Continued)**

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, fittings & equipment | - straight line over 4 years |
| Computer equipment | - straight line over 3 years |
| Motor vehicles | |

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.

**1.5 Impairment of fixed assets**

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.6 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.7 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 statement of financial position 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.

**1 Accounting policies** **(Continued)**

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

***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.

**1 Accounting policies** **(Continued)**

***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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. 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.

***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

***Derecognition of financial liabilities***

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

**1.8 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.

**1.9 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

***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.

**1 Accounting policies** **(Continued)**

***Deferred tax***

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.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

The deferred tax balance has not been discounted.

**1.10 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.

**1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**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.

**2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 43 (2015 - 16).

## 3 Intangible fixed assets

| | Total |
|---|---|
| | £ |
| **Cost** | |
| At 1 April 2015 | - |
| Additions | 11,994 |
| At 31 March 2016 | 11,994 |
| **Amortisation and impairment** | |
| At 1 April 2015 | - |
| Amortisation charged for the year | 535 |
| At 31 March 2016 | 535 |
| **Carrying amount** | |
| At 31 March 2016 | 11,459 |
| At 31 March 2015 | - |

## 4 Tangible fixed assets

| | Total |
|---|---|
| | £ |
| **Cost** | |
| At 1 April 2015 | 22,727 |
| Additions | 136,985 |
| Disposals | (32,406) |
| At 31 March 2016 | 127,306 |
| **Depreciation and impairment** | |
| At 1 April 2015 | 2,502 |
| Depreciation charged in the year | 21,201 |
| Eliminated in respect of disposals | (9,900) |
| At 31 March 2016 | 13,803 |
| **Carrying amount** | |
| At 31 March 2016 | 113,503 |
| At 31 March 2015 | 20,225 |

## 5 Fixed asset investments

| | 2016 | 2015 |
|---|---|---|
| | £ | £ |
| Investments | 2 | 2 |

**5 Fixed asset investments** **(Continued)**

**Movements in fixed asset investments**

| | Investments other than loans |
|---|---|
| | £ |
| **Cost or valuation** | |
| At 1 April 2015 & 31 March 2016 | 2 |
| **Carrying amount** | |
| At 31 March 2016 | 2 |
| At 31 March 2015 | 2 |

**6 Provisions for liabilities**

Provisions in respect of onerous contracts are recognised in the period when it comes probable that there will be a future outflow of funds resulting from past operations or events that can be reasonably estimated.

The timing of recognition requires the application of judgement to existing facts and circumstances, which can be subject to change. Since the actual cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

A change in estimate of a recognised provision or liability would result in a charge or credit to profit and loss account in the period in which the change occurs.

### 7 Called up share capital

| | 2016 | 2015 |
|---|---|---|
| | £ | £ |
| **Ordinary share capital** | | |
| **Issued and fully paid** | | |
| 4 Ordinary of £1 each | 4 | 4 |

On 31 August 2016, the company became a wholly owned subsidiary undertaking of E Holdings Limited, company number 9701430, which is registered in England and Wales.

### 8 Operating lease commitments

**Lessee**

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

| | 2016 | 2015 |
|---|---|---|
| | £ | £ |
| Within one year | 80,500 | - |
| Between two and five years | 120,750 | - |
| | 201,250 | - |

### 9 Related party transactions

No guarantees have been given or received.

The Company agreed to accept the novation of a financial contract from employee Paul Cooke on 24 November 2015 as part of the employee's remuneration for the period. From the date of novation, the Company would benefit from any profits under the financial contract (a maximum of £16,216) and would become liable for any costs under the financial contract (a maximum of £200,000). The financial contract expired on 31 March 2016 and the Company made a profit of £16,216 under the contract.

The Company agreed to accept the novation of a financial contract from employee Paul Cooke on 31 March 2016 as part of the employee's remuneration for the period. From the date of the novation, the Company would benefit from any profits under the financial contract (a maximum of £17,563) and would become liable for any costs under the financial contract (a maximum of £216,300). The financial contract expires on 31 July 2016 and, because the board of directors believe that this is an onerous contract, a provision of £216,300 has been made in the accounts.