Company Registration No. 04194006 (England and Wales)

GREEN ENERGY (UK) PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

GREEN ENERGY (UK) PLC

COMPANY INFORMATION

Directors	D C Stewart Sir P Thompson T J Smith C K Crossley Cooke
Secretary	Aldbury Associates Limited
Company number	04194006
Registered office	Black Swan House 23 Baldock Street Ware Hertfordshire SG12 9DH
Auditor	Mercer & Hole Silbury Court 420 Silbury Boulevard Central Milton Keynes Buckinghamshire MK9 2AF

GREEN ENERGY (UK) PLC

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GREEN ENERGY (UK) PLC

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 30 APRIL 2019

Highlights
Turnover up 16.9% at £20.7M , last year £17.7m
Profit down by 29% from £309k to £218k

The results for the year under review are set out in this report and again reflect the challenging environment energy supply has become. Turnover continues to rise but profitability remains challenged and customer numbers are down for the first time this year. Against this our balance sheet and liquidity remain strong.

It is important to emphasise that there are sound reasons behind the reduction in customer numbers which arose from the removal of tariffs from our offering and the logic supporting their removal is explained in the CEO's report.

But I would just say that as a result of the margin pressure the company continued to experience, a full review of our activities and tariffs was undertaken and any elements that did not deliver a positive contribution have been removed. This was a difficult decision but necessary to maintain our business model and the levels of customer service we want to deliver.

Ofgem's view on supplier numbers appears at last to be changing following the loss of 12 suppliers during the period under review, with them now suggesting that the 'huge' growth in the number of suppliers will bring about a period of consolidation. Many within the industry have predicted this for some time but remain concerned that the costs of insolvent companies are effectively being passed on to the customers of other suppliers.

I wrote about this very subject last year.

Action has at last been taken by Ofgem to toughen the tests for new entrants but the failure of two more suppliers in the current financial year highlights the issue is not just about start-ups but also concerns those already in the industry operating unprofitably.

On the plus side we continue to attract new customers and maintain our position as the only supplier with a 100% renewable electricity and 100% green gas proposition. The fact that we have obtained an enduring derogation from the price cap shows the regulator recognises running a truly green business comes at an incremental cost.

It's hard to see the commercial landscape improving significantly in the short term and while the uncertainty of Brexit has not caused the energy industry the scale of worry and troubles reported in other sectors of the economy, we have had, and will continue to have, our own set of challenging circumstance to endure over the next few years – boring it is not.

C K Crossley Cooke
Chairman

GREEN ENERGY (UK) PLC

CHIEF EXECUTIVE OFFICER'S STATEMENT

FOR THE YEAR ENDED 30 APRIL 2019

Another volatile, challenging and disappointing year in financial terms, as margins continued to come under pressure.

A torrent of business failures filled the headlines, but regrettably from our perspective the relationship between cheapest price and business failure seems to have escaped both the regulator's and the media's attention, as did the use of upfront consumer payments to bankroll these failed businesses.

In addition to this, we have seen the introduction of the government price cap, ongoing smart metering issues and delays.

On a macro scale, however, we can take some positives. We continue to attract new customers; our customer service team continue to handle growing traffic in the same timescales and deliver support and advice in a timely and helpful manner. We can still proudly boast that our calls are answered by people not machines.

During the year we took some decisive steps on our Tap and Tide tariffs which we knew would be unpopular with some and would lead to some attrition.

When Tap was introduced in July 2013, it was ground-breaking, flexible, and popular with its target market. It was a simple, no standing charge tariff that allowed low users to pay for what they used and avoid paying standing charges for non-consuming properties – it was popular with landlords, holiday lets and low users generally.

Regrettably in the intervening 5 years, the hidden 'taxation' of government policy costs has continued to grow and take its toll on our cost base. As more and more of these costs were forced onto us on the basis of the number of supply points, unrelated to consumption, it became more difficult to operate the Tap tariff because these costs penalised very low users disproportionally. It reached the point where we had to review how we recovered these charges on Tap, since on our other tariffs, they were simply recovered through standing charges.

We looked at a number of ways to try to deliver the product to the target market; we genuinely tried to spread the cost across low consumption volumes but it would have made the unit cost of a kWh disproportionate; - we even considered introducing a small standing charge, the polar opposite of what we had set out to achieve back in 2013.

The pragmatic approach had to prevail; we were absorbing a considerable and growing expense and sustaining the consequential losses. So, in the end, we felt we had to withdraw the tariff.

Another element of government policy that has impacted us over the period is smart metering, both in financial and reputational terms and this had ramifications for our Tide tariff.

Looking back 30 months, perhaps it was a bid of purist optimism to think that the smart metering infrastructure would be delivered by the 2nd quarter of 2017, but undeterred we introduced Tide in January 2017. It embraced smart metering and sought to change consumer behaviour by providing a financial incentive to avoid peak consumption periods. It too, was ground breaking and the first domestic 'time of use tariff' to be introduced.

While the tariff proved popular and successful, we and some customers have been frustrated by the delays in the smart meter infrastructure roll out, installation problems and the availability of meters.

We worked very hard to deliver the tariff, but the nature of third-party installers and the frustrations of commissioning, and physical stock shortages compounded an already complex technology problem to the point that we began to become concerned about declining customer satisfaction with meter installations within the Tide subset of customers.

At the same time, rather than disappoint a growing customer base we temporarily withdrew the tariff in April and intend to reintroduce it in the final quarter of 2019.

Both of these experiences, while disappointing, have taught us a number of things the most important of which is to be quicker and more decisive when we identify issues of concern and not operate a 'wait-and-see' approach to circumstances that are beyond our control. The financial impact of both of these issues cannot be ignored and is reflected in the results.

Moving onto the bigger picture and the climate/green agenda, it is becoming increasingly clear that the world and energy has come a long way from those early days in 2001 of trying to be green and make a difference.

The UK has been coal free in its generation for a number of periods during the year and the growth of renewables continues apace.

Climate is back on the global agenda and with no small amount of déjà vu, we have an outgoing UK prime minister leading the way on carbon reduction while the US president is in denial - shades of Blair and Bush. When we first started out, we highlighted that there is a certain irony in the US adopting a denial approach to Climate Change. By his very intransigence on the topic, Donald Trump manages to put it centre stage, which has the effect of motivating individuals to take their own action.

It is customer and client demand that will ultimately reshape the energy sector to align fully around green issues. We have the opportunity to respond to demand signals, but we need to also be seeking to stimulate demand for low carbon investments

The UK has made huge progress in decarbonizing its energy mix, to the point where the carbon intensity of our electricity has fallen from more than 500g of CO2 per kilowatt-hour in 2006 to less than 270g in 2018. Coal's has gone from 40 per cent to six per cent of our mix and nuclear power stations now generate less electricity than wind, solar power and hydroelectric plants.

Progress has been so quick that the vision in 2001, when we started Green Energy UK, of a fully low-carbon power sector in Britain has become a real possibility; we're not there yet and the current infrastructure needs strengthening to cope, but developments suggest that at some point in the not too distant future we could do it. Theresa May's legacy 2050 commitment should provide further stimulus to make it a reality.

In June 2019 National Grid confirmed that more UK electricity is to come from zero-carbon sources than from fossil fuels in 2019 – the first time since the industrial revolution; that is quite a claim and significant progress.

Wind, solar, nuclear and hydropower are on course to outstrip supply from coal and gas-fired power stations after the closure of a number of older plants in recent years and a rapid expansion in renewable capacity.

Green energy sources have more than doubled their contribution to Britain's energy mix from 22.3 percent in 2009 to 47.9 percent in the first half of 2019.

As John Pettigrew CEO of national grid put it, the country has now reached a "tipping point" on renewable energy.

Change is led, ultimately, by individuals – not by organisations; that's you our customers, which is why we work hard to place you at the centre of our business and we genuinely appreciate the support you offer the business. We are a small cog in a global machine but together we are making a difference.

As I mentioned at the top, it was a volatile year in the energy markets and following the 'Beast from the East' and record cold temperatures in the previous period, we saw rising prices in the wholesale market throughout the year.

Because, we were forced to increase our prices along with the rest of the market but with the price cap looming our focus was slightly off centre. We were concerned about where the price cap would sit with our business model which by necessity is more expensive than other energy suppliers to guarantee that we are ethically green. There was also confusion over just how Ofgem planned to set the commodity price within their price cap calculation. Indeed, the confusion gave rise to a legal challenge to Ofgem's methodology by British Gas.

As a result of all that, we adopted a cautious approach and held prices in front of the price cap. Consequentially were forced to readjust pricing again during the year. We weren't alone, most market participants did the same.

But the news that grabbed most headlines was the collapse of suppliers throughout the year and there were some substantial customer numbers involved. Almost a million customers were affected when their supplier went bust. And the rest of us, you and me, were left to pick up the bill.

Cash had been sucked out of the industry in the first quarter of 2018 through imbalance charges as a result of the colder than expected winter.

When the Renewable Obligation (RO) fell due at the end of August, there were a record number of delinquent suppliers, - suppliers unable to meet their commitments.

These two events were not totally unrelated. The RO (Renewable Obligation) is a mechanism by which the government seeks to increase the amount of renewable power that is generated. Renewable Generators are allocated Renewable Obligation Certificates (ROCs) for each megawatt hour of electricity they generate.

As suppliers, we are required to purchase and surrender renewable obligation certificates equivalent to a percentage of 46.8% of our power purchases for the year in question or pay a buyout price. This percentage is set by government at the start of the previous ROC year in this case, April 17.

The deadline is 1st September and suppliers are given until 31 October as a late payment and interest deadline window in which to either lodge certificates that have been bought from green generators or pay a buyout price. Either way it is a substantial sum and a dent in the cash flow. However, it is important to stress that we should have been collecting the money as part of the unit charges for electricity for the previous 18 months, so the amount and its quantum shouldn't come as a surprise, and the money should be both accrued for and in our possession. In short, the requirement for the surrender of purchased ROCs or buyout is 5- 6 months after the end of the 'ROC year', so we have had 18 months credit on the first month's obligation.

The fact that 34 suppliers failed to meet the September 1st deadline was a warning shot of what was about to unfold and the fact that fully 14 suppliers failed to meet their obligations by the late payment deadline meant the industry and Ofgem were in uncharted territory. The burden of the total shortfall of £58.6m fell on compliant suppliers who had to make good the shortfall.

We would contend this wasn't inefficient suppliers going bust, this was a business model of cheap pricing and negative profitably that was a car crash waiting to happen. If the Citizens Advice Bureau (CAB) are to be believed, the knock-on effect of these missed payments and the failure of the suppliers responsible, the bulk of whom take customer money up-front and use it as risk capital, is so far £172m. This sum falls on compliant suppliers like ourselves and ultimately our customers to make good on the debts.

In response to this mayhem, Ofgem took supplier licencing out of the 'to do' tray and put it in 'action' and they have in July 2019 announced tougher criteria for market entry, something we have been campaigning for since 2015.

However, Ofgem insist on using the polite term 'efficient' as in 'in a competitive market, companies that are not operating efficiently may fail.'

The 12 failures in the energy market weren't about inefficient companies - it really isn't a matter of efficiency. It's a business model inappropriate for a risk business like an energy utility.

CHIEF EXECUTIVE OFFICER'S STATEMENT

FOR THE YEAR ENDED 30 APRIL 2019

In the period under review, the regulator at the government's insistence, introduced a price cap. We responded to consultation suggesting such a scheme would have unintended consequences - they have yet to play out but in a market where the regulator has set a maximum price for Standard Variable Tariffs it should be safe to assume this reflects the real costs of supply.

Why then does the regulator, the government and the media continually encourage consumers to seek out the cheapest prices on switching sites, when the evidence suggests these deals lead to failures. It's a race to the bottom encouraged by the rip-off rhetoric, expounded by politicians and the media alike, that energy is too expensive.

If the government wants to bring down the price of energy in the home, they could remove VAT – that's an instant 5% saving. Without having to shop around for an unsustainable price from an unviable supplier that will cost us all in the long run as suggested by the CAB cited above.

Equally when Which? point out the 250,000 people saw their bills rise after their energy company went bust, they didn't seem to make the link between the fact the failed companies had been operating at a loss when offering cheap prices or put simply, the relationship between viability and profit.

Tougher rules on new entrants are part of a solution but what about the loss-making suppliers currently in the market. At what point do they stop playing roulette with customer deposits and start to make a return.

The costs we incur in this regard are hard to budget for, but we will continue to apply the same business model we always have to ensure we are here tomorrow to deliver on the promises we make today. Over the next financial year, we will continue to grow our business organically while striving to offer the best customer service we always have.

This will be in an energy system that is undergoing a transformation in decarbonisation, digitalisation and decentralisation. We continue to look for opportunities and seize initiatives that will allow us to change the business along with the market. It is a lumbering behemoth of an industry and while change is talked about a lot it takes time to come to fruition

We continue to invest in what we see as the important things, our staff, their training and welfare and our product differentiation. We remain the only supplier to provide 100% green gas to all our customers. Indeed, the costs associated with delivering our green proposition, 100% renewable electricity and 100% biogas, has been acknowledged by Ofgem and we were granted an enduring derogation from the price cap in August 2019.

This recognises that the services and support we offer to generators and the cost of the energy we buy differs and has a material effect on our business. It also acknowledges that our customers who want to make that choice should be allowed to do so.

So, we are not without our challenges in the year and years ahead, so it's lucky we have a dedicated team in the office that maintain a sense of humour in a hostile media environment brought about by government, policy and regulation. But I think it is important, no essential, that I thank them publicly for their effort and commitment and I am sure you would support me in that. Equally of course I thank our supportive customers for their engagement and encouragement. The journey is not over and there are strong headwinds, but the statistics above show we are making progress

D Stewart
Cheif Executive Officer

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GREEN ENERGY (UK) PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2019

The directors present the strategic report for the year ended 30 April 2019.

Fair review of the business
Highlights include:

- Turnover up 16.9% at £20.7m, last year £17.7m
- Profit down by 29% from £309k to £218k

The company has continued to perform well throughout the year with a strong growth in turnover but the pressure on margins has created a fall back in profits for this year.
The company has focused on maintaining the strength of its balance sheet and has been able to improve its credit position.

Full details of the company's performance and future developments can be found in the Chief Executive Officer's Statement.

Principal risks and uncertainties
Principal risks and uncertainties facing the company are outlined below:

Energy price volatility

The company's turnover from energy sales may be affected by fluctuations in wholesale electricity and gas prices. The company has adopted a cautious strategy to mitigate this whereby forward hedges for power are secured to fix wholesale prices. During the reporting year the long term hedge that was purchased in the previous year which yielded slightly higher prices increased pressure on margins but reflected the company's risk adverse strategy.

Balancing Risk

The company manages its risk by using short, medium and long term volume forecasts to allow it to buy a mixture of short, medium and long term hedges. This gives certainty to the wholesale price of electricity and gas but does create the risk of imbalance charges if there is a significant change both up and down in total customer volumes.

The company pro-actively seeks to grow at a steady rate to mitigate this risk and ensure a smooth and controlled growth in customer numbers.

On behalf of the board

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D C Stewart
Director
17/9/19

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2019

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are 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 directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2019

The directors present their annual report and financial statements for the year ended 30 April 2019.

Principal activities
The principal activity of the company is that of domestic and commercial electricity and gas supply.

The directors are satisfied with the results for the year and expect significant further growth in the following year.

Green energy
The company's policy is to purchase it's green electricity only from fully renewable generators. Green gas is only purchased with an associated green gas certificate.

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

D C Stewart
Sir P Thompson
T J Smith
C K Crossley Cooke

Results and dividends
The results for the year are set out on page 12.

The directors do not recommend payment of an ordinary dividend.

Financial instruments

Commodity price risk
The company's operations results in exposure to fluctuations in electricity and gas prices. Management monitors electricity and gas prices and analyses supply and demand volumes to manage exposure to this risk. The company has entered into forward contracts in order to mitigate some of its exposure to these fluctuations.

If the wholesale market moves significantly up or down, the price risk to the company will depend on a number of factors including the excess or deficiency of power being supplied by Renewable Power Purchase contracts in place at the time. The company may be required to pass on the price risk to customers. Retail prices can be amended with 30 days advance notification to customers. Management closely monitors wholesale market movements and assesses trends in order to take action when necessary.

Liquidity risk
The company's policy in respect of liquidity risk is to maintain a mixture of short term debt finance and readily accessible bank deposit accounts, to ensure the company has sufficient funds for operations. The cash deposits are held in current accounts which earn interest at a floating rate. Debt is maintained at fixed and floating interest rates.

Credit risk
The company's exposure to credit risk arises from amounts due from customers.The company's policy in respect of credit risk is to require appropriate credit checks on potential customers and to provide for doubtful debts based on estimated irrecoverable amounts determined by reference to specific circumstances and past default experience. At the balance sheet date the directors have provided for all known specific doubtful debts and believe that there is no further credit risk.

Auditor
In accordance with the company's articles, a resolution proposing that Mercer & Hole be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor
So far as the directors are aware, there is no relevant audit information of which the company's auditor are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves 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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D C Stewart
Director
17/9/19

GREEN ENERGY (UK) PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GREEN ENERGY (UK) PLC

Opinion

We have audited the financial statements of Green Energy (UK) Plc (the 'company') for the year ended 30 April 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF GREEN ENERGY (UK) PLC

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
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 auditor's 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.

Mercer & Hole

Paul Maberly FCA (Senior Statutory Auditor)
for and on behalf of Mercer & Hole

26/9/19

Chartered Accountants
Statutory Auditor

Silbury Court
420 Silbury Boulevard
Central Milton Keynes
Buckinghamshire
MK9 2AF

GREEN ENERGY (UK) PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2019

	Notes	2019 £	2018 £
Turnover	3	20,760,880	17,697,585
Cost of sales		(17,837,757)	(14,887,490)
Gross profit		2,923,123	2,810,095
Administrative expenses		(2,710,133)	(2,508,195)
Operating profit	4	212,990	301,900
Interest receivable and similar income	8	6,626	4,960
Interest payable and similar expenses	9	(1,908)	-
Profit before taxation		217,708	306,860
Tax on profit	10	(48,103)	(67,938)
Profit for the financial year		169,605	238,922

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

GREEN ENERGY (UK) PLC

BALANCE SHEET

AS AT 30 APRIL 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Intangible assets	11		49,999		49,999
Tangible assets	12		363,840		334,719
Investments	13		4		4
			413,843		384,722
Current assets					
Debtors	16	3,660,421		3,459,684	
Cash at bank and in hand		2,826,283		2,996,735	
		6,486,704		6,456,419	
Creditors: amounts falling due within one year	17	(3,413,918)		(3,576,648)	
Net current assets			3,072,786		2,879,771
Total assets less current liabilities			3,486,629		3,264,493
Creditors: amounts falling due after more than one year	18		(45,129)		-
Provisions for liabilities	20		(31,715)		(24,313)
Net assets			3,409,785		3,240,180
Capital and reserves					
Called up share capital	23		57,433		57,433
Capital redemption reserve	25		585		585
Profit and loss reserves	25		3,351,767		3,182,162
Total equity			3,409,785		3,240,180

The financial statements were approved by the board of directors and authorised for issue on 17th September 2019 and are signed on its behalf by:

D C Stewart
Director

T J Smith
Director

Company Registration No. 04194006

GREEN ENERGY (UK) PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2019

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 May 2017		56,413	585	2,943,240	3,000,238
Year ended 30 April 2018:					
Profit and total comprehensive income for the year		-	-	238,922	238,922
Issue of share capital	**23**	1,020	-	-	1,020
Balance at 30 April 2018		57,433	585	3,182,162	3,240,180
Year ended 30 April 2019:					
Profit and total comprehensive income for the year		-	-	169,605	169,605
Balance at 30 April 2019		57,433	585	3,351,767	3,409,785

GREEN ENERGY (UK) PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	28		(58,037)		1,028,190
Interest paid			(1,908)		-
Income taxes paid			(68,347)		(111,292)
Net cash (outflow)/inflow from operating activities			(128,292)		916,898
Investing activities					
Purchase of tangible fixed assets		(132,194)		(43,051)	
Interest received		6,626		4,960	
Net cash used in investing activities			(125,568)		(38,091)
Financing activities					
Proceeds from issue of shares		-		1,020	
Payment of finance leases obligations		83,408		-	
Net cash generated from financing activities			83,408		1,020
Net (decrease)/increase in cash and cash equivalents			(170,452)		879,827
Cash and cash equivalents at beginning of year			2,996,735		2,116,908
Cash and cash equivalents at end of year			2,826,283		2,996,735

1 Accounting policies

Company information

Green Energy (UK) Plc is a public company limited by shares incorporated in England and Wales. The registered office is Black Swan House, 23 Baldock Street, Ware, Hertfordshire, SG12 9DH.

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.

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.

The company has taken advantage of the exemption under section 405 (2) of the Companies Act 2006 not to prepare consolidated accounts as the directors consider the subsidiaries result are not material. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Revenue comprises revenue from the sale of electricity and gas to commercial and domestic customers. Revenue excludes Value Added Tax. Revenue from the sale of electricity and gas to commercial and domestic customers is recognised when earned on the basis of a contractual agreement with the customer. It reflects the value of the volume supplied, including an estimated value of the volume supplied to customers, between the date of their last meter reading and the year end.

Power supply

Revenue for the supply of electricity is based on industry data flows and national grid data. These include an estimate of power used based on the estimated annual consumption of each customer. This information is reconciled over a 14 month period as customer and industry meter reads are received and estimates adjusted to actual usage. The company takes a prudent assumption of revenue based on the latest available data flow, with a final 'true-up' once the final industry supplied data flow is available, approximately 14 months after supply.

Revenue for the supply of gas is accrued based on information received from the company's gas shipper, which includes details of all the sites held, their estimated annual quantities of gas used adjusted by a pre-determined weather correction factor. This information is subsequently adjusted, and invoiced based on customer and industry meter reads.

Payment is collected either as a direct debit, paid on receipt of bill in arrears or in advance for those customers on prepayment meters. Overdue amounts are reviewed regularly for impairment and provision made as necessary.

1 Accounting policies **(Continued)**

Feed-in Tariff (FIT) administration services

Green Energy (UK) Plc provide FIT administration services to micro-generators who are signed up to the FIT scheme. For FIT services, revenue is earned from OFGEM for administering the scheme. For FIT services, revenue is recognised in two parts: there is the initial fee paid by OFGEM for taking on a generator, and then an ongoing amount that is received annually for provision of FIT services. The initial fee is spread over the 'take on' period for a new customer and the ongoing fee that is received is spread over the 12 month compliance period.

1.4 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 where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset 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:

Power Supply Licences	10% straight line

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:

Leasehold improvements	Over the life of the lease
Fixtures, fittings & equipment	20% straight line
Computer equipment	33.33% straight line
Motor vehicles	25% 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 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1 Accounting policies **(Continued)**

1.7 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.

1.8 Cash and cash equivalents

Cash at bank and in hand 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.

1.9 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

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.

1 Accounting policies **(Continued)**

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 publicly 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.

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 payments 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 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 Accounting policies **(Continued)**

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.

1.10 Equity instruments

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

1.11 Derivatives

The company uses commodity purchase contracts to hedge its exposures to fluctuations in 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 FRS102, Section 12.

This is achieved when:
- A physical delivery takes place under all such contracts;
- The volumes purchased or sold under contracts corresponds to the company's operating requirement; and
- The contracts are not considered as written options as defined by the standard.

1.12 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 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.

1.13 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.

1.14 Retirement benefits

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

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

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.

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

Revenue calculated from energy sales includes an estimate of the value of electricity and gas supplied to customers between the date of the last meter reading and the end of the reporting period. This will have been estimated using historical consumption patterns and data available, and takes into consideration industry reconciliation processes, upon which the company takes a prudent position until final reconciliation data is available from the industry,

Power purchase costs

Electricity purchase costs can typically take 14 months to be finalised due to the processes that the energy market has to complete in order to finalise generation and consumption data for any one particular month. Therefore there is an element of electricity costs that needs to be estimated based on a combination of in-house and industry data that is available at any particular point in time.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019	2018
	£	£
Turnover analysed by class of business		
Electricity	18,298,659	16,097,705
Gas	2,462,221	1,599,880
	20,760,880	17,697,585

	2019	2018
	£	£
Other significant revenue		
Interest income	6,626	4,960

	2019	2018
	£	£
Turnover analysed by geographical market		
United Kingdom	20,760,880	17,697,585

4 Operating profit

Operating profit for the year is stated after charging:	2019 £	2018 £
Depreciation of owned tangible fixed assets	76,340	83,235
Depreciation of tangible fixed assets held under finance leases	26,733	-
Operating lease charges	73,113	70,043

5 Auditor's remuneration

Fees payable to the company's auditor and associates:	2019 £	2018 £
For audit services		
Audit of the financial statements of the company	18,016	17,357
For other services		
Other assurance services	11,460	8,365
Taxation compliance services	2,847	2,958
All other non-audit services	851	5,854
	15,158	17,177

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Customer service and sales	10	10
Metering	6	5
Other operations	4	3
Billing and credit control	5	5
Administration	5	5
Directors	4	4
	34	32

6 Employees (Continued)

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	1,284,053	1,160,182
Social security costs	139,422	126,868
Pension costs	75,257	66,600
	1,498,732	1,353,650

7 Directors' remuneration

	2019	2018
	£	£
Remuneration for qualifying services	389,363	372,620
Company pension contributions to defined contribution schemes	38,400	36,600
	427,763	409,220

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2018: 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2019	2018
	£	£
Remuneration for qualifying services	196,227	191,864
Company pension contributions to defined contribution schemes	18,000	16,200

8 Interest receivable and similar income

	2019	2018
	£	£
Interest income		
Interest on bank deposits	6,626	4,960

9 Interest payable and similar expenses

	2019	2018
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	400	-
Interest on finance leases and hire purchase contracts	1,508	-
	1,908	-

10 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	40,701	68,347
Deferred tax		
Origination and reversal of timing differences	7,402	(409)
Total tax charge	48,103	67,938

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019	2018
	£	£
Profit before taxation	217,708	306,860
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	41,365	58,303
Tax effect of expenses that are not deductible in determining taxable profit	7,212	5,517
Depreciation on assets not qualifying for tax allowances	397	649
Adjust deferred tax to average rate	(871)	3,469
Taxation charge for the year	48,103	67,938

From 1 April 2015, the main rate of corporation tax reduced to 20% and from 1 April 2017 the main rate reduced to 19%. In the Budget on 8 July 2015, the Chancellor announced additional an planned reduction to 18% from 1 April 2020. A further reduction to the corporation tax rate by 1% to 17% by 1 April 2020 was announced in the Chancellor's 2016 budget statement. This will reduce future current tax charge accordingly.

11 Intangible fixed assets

	Power Supply Licences
	£
Cost	
At 1 May 2018 and 30 April 2019	49,999
Amortisation and impairment	
At 1 May 2018 and 30 April 2019	-
Carrying amount	
At 30 April 2019	49,999
At 30 April 2018	49,999

11 Intangible fixed assets (Continued)

The directors are of the opinion that the residual value of the power supply licence is at least the value included in the financial statements. No amortisation has been charged on this basis.

12 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 May 2018	320,000	44,940	171,016	184,599	720,555
Additions	-	-	3,874	128,320	132,194
At 30 April 2019	320,000	44,940	174,890	312,919	852,749
Depreciation and impairment					
At 1 May 2018	81,067	44,940	116,005	143,824	385,836
Depreciation charged in the year	12,800	-	29,229	61,044	103,073
At 30 April 2019	93,867	44,940	145,234	204,868	488,909
Carrying amount					
At 30 April 2019	226,133	-	29,656	108,051	363,840
At 30 April 2018	238,933	-	55,011	40,775	334,719

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2019	2018
	£	£
Plant and machinery	101,587	-
Depreciation charge for the year in respect of leased assets	26,733	-

13 Fixed asset investments

	Notes	2019	2018
		£	£
Investments in subsidiaries	14	4	4

13 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 May 2018 & 30 April 2019	4
Carrying amount	
At 30 April 2019	4
At 30 April 2018	4

14 Subsidiaries

Details of the company's subsidiaries at 30 April 2019 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Garsington Energy Limited	1	Dormant	Ordinary	100.00	
Green Energy Electricity Limited	1	Dormant	Ordinary	100.00	
Green Energy Gas Limited	1	Dormant	Ordinary	100.00	
Green Energy Limited	1	Dormant	Ordinary	100.00	

14 Subsidiaries (Continued)

Registered Office addresses:

1 Black Swan House, 23 Baldock Street, Ware, Hertfordshire SG12 9DH

15 Financial instruments

	2019	2018
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	3,311,543	2,974,269
Carrying amount of financial liabilities		
Measured at amortised cost	3,341,675	3,433,492

16 Debtors

	2019	2018
Amounts falling due within one year:	£	£
Trade debtors	3,271,344	2,795,735
Other debtors	40,199	178,534
Prepayments and accrued income	348,878	485,415
	3,660,421	3,459,684

17 Creditors: amounts falling due within one year

	Notes	2019	2018
		£	£
Obligations under finance leases	19	38,279	-
Trade creditors		762,718	1,084,531
Corporation tax		40,701	68,347
Other taxation and social security		76,671	74,809
Other creditors		212,799	215,140
Accruals and deferred income		2,282,750	2,133,821
		3,413,918	3,576,648

18 Creditors: amounts falling due after more than one year

	Notes	2019	2018
		£	£
Obligations under finance leases	19	45,129	-

19 Finance lease obligations

	2019	2018
Future minimum lease payments due under finance leases:	£	£
Within one year	40,507	-
In two to five years	47,338	-
	87,845	-
Less: future finance charges	(4,437)	-
	83,408	-

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years from inception. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

20 Provisions for liabilities

		2019	2018
	Notes	£	£
Deferred tax liabilities	21	31,715	24,313

21 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019	Liabilities 2018
Balances:	£	£
Accelerated capital allowances	31,715	24,841
Short Term Timing Differences	-	(528)
	31,715	24,313

	2019
Movements in the year:	£
Liability at 1 May 2018	24,313
Charge to profit or loss	7,402
Liability at 30 April 2019	31,715

Approximately a quarter of the deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

22 Retirement benefit schemes

Defined contribution schemes	2019 £	2018 £
Charge to profit or loss in respect of defined contribution schemes	75,257	66,600

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

23 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
53,962,350 'A' Ordinary shares of 0.1p each	53,962	53,963
1,733,600 (2018: 1,966,500) 'D' Ordinary shares of 0.1p each	1,734	1,966
1,736,400 (2018: 1,503,500) 'C' Ordinary shares of 0.1p each	1,737	1,504
	57,433	57,433

During the year nil (2018: 1,020,000) 'C' Ordinary shares were issued at nominal value.

During the year 232,900 (2018: 229,600) 'D' Ordinary shares were converted into 'C' Ordinary shares.

During the year nil (2018: nil) 'D' Ordinary shares were issued at nominal value and set aside for allocation to customers.

'D' Ordinary shares hold a nominal value of £0.001 each. 'D' ordinary shares will be automatically converted into 'C' Ordinary shares on the earliest of the following:

- three and a half years after their allotment or when a successful offer to purchase a 90% or more of the issued equity share capital of the company is completed.

'D' Ordinary shares will be redeemed at the option of the company by written notice to the holder of the shares to be redeemed subject to the Companies Act 2006 for a total of one pence for the holder's entire holding of 'D' Ordinary shares.

If the customer does not remain a customer of the company for three consecutive calendar years after the date of allotment, 'D' Ordinary shares will be redeemed, at the option of the company, for a total of £0.01 for the customers entire shareholding.

The directors are personally responsible to pay up in full, the nominal value of customers 'D' Ordinary shares as and when they are allotted, without recourse to the customer. The directors will have no rights over the customer shares.

'A' Ordinary shares and 'C' Ordinary shares rank pari passu in respect of the distribution of profits. The 'D' Ordinary shares shall not be entitled to participate in the distribution of profits. Unlike the holders of 'A' and 'C' Ordinary shares, the 'D' Ordinary shareholders have no rights to receive any monies on the the winding up of the company. Full rights of each class of share are outlined in the company's Articles of Association.

23 Share capital **(Continued)**

Reconciliation of movements during the year:

	'A' Ordinary Number	'C' Ordinary Number	'D' Ordinary Number
At 1 May 2018	53,962,350	1,503,500	1,966,500
Conversion of 'D' to 'C' shares	-	232,900	(232,900)
At 30 April 2019	53,962,350	1,736,400	1,733,600

24 Financial commitments, guarantees and contingent liabilities

The Company is committed to purchase electric power under various short and long-term electricity supply contracts. At 30 April 2019 the estimated future commitment for the purchase of electricity under all these contracts totalled £5,411,452 (2018: £1,958,230)

At the year end the Company had also bought electricity under fixed rate forward contracts. At the year end they had committed to buying 20,341 MWh (2018: 53,495 MWh) for £1,179,158 (2018:£2,479,549)

The Company's bankers have a fixed and floating charge over the undertaking and all property and assets present and future for all monies due or to become due from the Company to the chargee on any account whatsoever.

25 Reserves

Capital redemption reserve
The capital redemption reserve is a reserve created when the company buys its own shares which reduces its share capital. This reserve is not distributable to shareholders.

Profit and loss reserves
The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

26 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:

	2019 £	2018 £
Within one year	54,000	54,000
Between two and five years	216,000	216,000
In over five years	414,500	468,500
	684,500	738,500

27 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019	2018
	£	£
Aggregate compensation	435,383	408,449

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales		Purchases	
	2019	2018	2019	2018
	£	£	£	£
Key management personnel	9,062	7,613	-	-
Other related parties	37,276	18,993	271,659	201,919

28 Cash generated from operations

	2019	2018
	£	£
Profit for the year after tax	169,605	238,922
Adjustments for:		
Taxation charged	48,103	67,938
Finance costs	1,908	-
Investment income	(6,626)	(4,960)
Depreciation and impairment of tangible fixed assets	103,073	83,235
Movements in working capital:		
(Increase) in debtors	(200,737)	(819,586)
(Decrease)/increase in creditors	(173,363)	1,462,641
Cash (absorbed by)/generated from operations	(58,037)	1,028,190