Simple Energy Limited

Annual Report and Consolidated Financial Statements

Registered Number 09249540

For the year ended 31 March 2018

Contents

Company Information

Directors	A Gudka J Wells H Wood D Scott
Registered Office	68 Hanbury Street London England E1 5JL
Registered Number	09249540
Auditor	BDO LLP 55 Baker Street London W1U 7EU

Strategic Report

Principal activity and business review

The principal activity of Simple Energy Limited (the "Company") is operating as a holding Company for Bulb Energy Limited (together the "Group"). As at 31 March 2018, the Company had a 100% holding in Bulb Energy Limited.

The principal activity of Bulb Energy Limited is that of supplying renewable electricity and gas. The Group's mission is to provide UK homes access to affordable renewable energy and great customer support.

At 31 March 2018 net liabilities of the Group stand at £19,889,090 (2017: £2,004,480). The Group made an overall loss of £23,713,915 (7 month period, 2017: £2,216,938) in the year. The Directors are confident that the Group and the Company are well positioned to achieve sales growth and profitability in future.

Principal risks and uncertainties

The Group faces a number of risks and uncertainties. The Directors believe that the key business risks are in respect of competition, wholesale market prices, cashflow and liquidity. The directors are aware that the development of the Group may be subject to factors beyond their control.

Competition

The Group operates in a highly competitive industry. The directors believe that the Group is in a strong position due to its operating efficiency.

Wholesale market prices

To mitigate the risk of wholesale price movements the Group operates a purchasing policy to fix the price of energy in advance and operates a variable tariff.

Bad debt risk

On a seasonal basis the Group holds significant customer debtor balances. The Group collects monthly direct debits from customers to mitigate the risk of non-payment and bad debts.

Key performance indicators (KPIs)

The management team responsible for the operations of the business uses a number of financial and non-financial KPIs in order to manage and develop the business to achieve the Group's strategic objectives. The Group's KPIs include turnover of £182,770,092 (7 month period, 2017: £10,036,017) and number of supplied properties of 313,017 (2017: 25,370).

Future developments

There are no plans to change the activities of the Group or the Company in future.

Amit Gudka

A Gudka
Director

Date: 19/10/18

68 Hanbury Street
London
England
E1 5JL

Directors' Report

The directors present their annual report and audited consolidated financial statements for the year ended 31 March 2018.

Directors

The directors who held office during the year and after the year end were as follows:

A Gudka
J Wells
H Wood
D Scott (appointed 16 November 2017)

Going concern

The Company's financial statements have been prepared on a going concern basis on the grounds that funding and financing at the date of signing the 2018 financial statements is adequate. In assessing going concern, the directors have a reasonable expectation that the Company will continue as a going concern and is able to meet all of its obligations as they fall due for a minimum of 12 months from the date of approval of these financial statements.

Results and dividends

The loss for the year was £23,713,915 (2017: £2,216,938) . The directors do not recommend payment of a dividend.

Political and charitable contributions

The Group made no political contributions and made £636,082 (7 month period, 2017: £27,598) in charitable donations.

Post balance sheet event

The £30,000,000 interest-bearing loan was repaid early in full, on 1 August 2018.

On 12 June 2018, 6,559,804 preference shares of £0.01 were issued resulting in share premium of £59,934,305. All shares on issue have been split into 100 shares of 1 pence each.

Directors' indemnities

The Group and the Company maintain liability insurance for its directors and officers. This is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. The insurance cover was in force during the year ended 31 March 2018 and is still in force at the date of approving Directors' report.

Signed by order of the board

Amit Gudka

A Gudka
Director

68 Hanbury Street
London
England
E1 5JL

Date: 19/10/18

Directors' Report (continued)

Statement of director's responsibilities

The directors are responsible for preparing the strategic report, director's report and the audited consolidated 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Auditors

BDO LLP, are the Company's auditors and have expressed their willingness to continue in office. A resolution to reappoint them will be proposed at the annual general meeting.

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Signed by order of the board:

A Gudka
Director

68 Hanbury Street
London
England
E1 5JL

Date: 19/10/16

Independent Auditor's Report to Members of Simple Energy Limited

Opinion

We have audited the financial statements of Simple Energy Limited (the Parent Company) and it's subsidiary ("the Group") for the year ended 31 March 2018 which comprise the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, consolidated cash flow statement, Company balance sheet, Company statement of changes in equity 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 Financial Reporting Standard 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 Group's and of the Parent Company's affairs as at 31 March 2018 and of the Group's loss for the period 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 Group and the Parent 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 Group or the Parent 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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 has been prepared in accordance with applicable legal requirements.

Independent Auditor's report to members of Simple Energy Limited (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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 determines 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 Group's and the Parent 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 Group and the Parent 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 at the Financial Reporting Council's website at: https://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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Andrew Gandell (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor

London, United Kingdom

Date: 22/10/2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Comprehensive Income
For the year ended 31 March 2018

	Note	31 March 2018 £	Restated 1 September 2016 to 31 March 2017 £
Turnover	*3*	**182,770,092**	10,036,017
Cost of sales		**(170,667,229)**	(8,923,795)
Gross Profit		**12,102,863**	1,112,222
Administrative expenses	*4*	**(35,511,333)**	(3,239,160)
Operating loss		**(23,408,470)**	(2,126,938)
Interest receivable and similar income	*7*	**3,933**	-
Interest payable and similar expenses	*8*	**(449,699)**	-
Loss before taxation		**(23,854,236)**	(2,126,938)
Tax on loss	*9*	**140,321**	-
Loss and total comprehensive income for the financial year		**(23,713,915)**	(2,126,938)

The consolidated statement of comprehensive income has been prepared on the basis that all operations are continuing.

There was no other comprehensive income during the current year or prior period.

The notes on pages 13 to 25 form part of these financial statements.

Consolidated Balance Sheet

At 31 March 2018

	Note	31 March 2018 £	£	31 March 2017 £	£
Fixed assets					
Intangible assets	*10*		**58,202**		122,412
Tangible assets	*11*		**248,545**		67,172
			306,747		189,584
Current assets					
Debtors	*13*	**43,458,252**		2,009,350	
Cash at bank and in hand	*14*	**10,616,305**		337,721	
		54,074,557		2,347,071	
Creditors : amounts falling due within one year	*15*	**(74,270,394)**		(4,541,135)	
Net current liabilities			**(20,195,837)**		(2,194,064)
Total assets less current liabilities			**(19,889,090)**		(2,004,480)
Net liabilities			**(19,889,090)**		(2,004,480)
Capital and reserves					
Called up share capital	*17*		**161,490**		117,000
Share premium			**6,942,815**		1,158,000
Profit and loss account			**(26,993,395)**		(3,279,480)
Shareholders' deficit			**(19,889,090)**		(2,004,480)

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

These financial statements were approved by the board of directors on 19/10/19 and were signed on its behalf by:

Amit Gudka

A Gudka- Director

Company Registration No: 09249540

The notes on pages 13 to 25 form part of these financial statements.

Consolidated Statement of Changes in Equity

	Called up share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 April 2017	117,000	1,158,000	(3,279,480)	(2,004,480)
Comprehensive expense for the year				
Loss for the year	-	-	(23,713,915)	(23,713,915)
Total comprehensive expense for the year	-	-	(23,713,915)	(23,713,915)
Transactions with owners, recorded directly in equity				
Issue of share capital	44,490	5,784,815	-	5,829,305
Total contributions by owners	44,490	5,784,815	-	5,829,305
Balance at 31 March 2018	**161,490**	**6,942,815**	**(26,993,395)**	**(19,889,090)**

	Called up share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 September 2016	113,000	1,112,000	(1,152,542)	72,458
Comprehensive expense for the year				
Loss for the year	-	-	(2,126,938)	(2,126,938)
Total comprehensive expense for the year	-	-	(2,126,938)	(2,126,938)
Transactions with owners, recorded directly in equity				
Issue of share capital	4,000	46,000	-	50,000
Total contributions by owners	4,000	46,000	-	50,000
Balance at 31 March 2017	**117,000**	**1,158,000**	**(3,279,480)**	**(2,004,480)**

The notes on pages 13 to 25 form part of these financial statements.

Consolidated Cash Flow Statement

for year ended 31 March 2018

	Note	31 March 2018	1 September 2016 to 31 March 2017
		£	£
Cash flows from operating activities			
Loss for the year		**(23,713,915)**	(2,126,938)
Adjustments for:			
Depreciation	*11*	**37,603**	6,366
Amortisation of intangible assets	*10*	**68,328**	68,273
Amortisation of financing transaction costs		**113,072**	-
Corporation tax receivable	*9*	**(140,321)**	-
Loss on disposal of tangible fixed assets		**1,919**	-
Increase in trade and other debtors		**(41,399,161)**	(1,945,494)
Increase in trade and other creditors		**40,068,474**	4,080,626
Cash flows from operating activities		**(24,964,001)**	82,833
Corporation tax received		**90,574**	-
Interest receivable	*7*	**(3,933)**	-
Interest payable	*8*	**449,699**	-
Net cash used to/(generated from) operating activities		**(24,427,661)**	82,833
Cash flows from investing activities			
Acquisition of tangible fixed assets	*11*	**(220,889)**	(53,654)
Acquisition of intangible fixed assets	*10*	**(4,118)**	-
Interest received	*7*	**3,933**	-
Net cash used in investing activities		**(221,074)**	(53,654)
Cash flows from financing activities			
Interest paid	*8*	**(449,699)**	-
Proceeds from issue of loan notes		**29,547,713**	-
Proceeds from the issue of share capital		**5,829,305**	50,000
Net cash from financing activities		**34,927,319**	50,000
Increase in cash and cash equivalents		**10,278,584**	79,179
Cash and cash equivalents at 1 April		**337,721**	258,542
Cash and cash equivalents at 31 March	*14*	**10,616,305**	337,721

The notes on pages 13 to 25 form part of these financial statements.

Company Balance sheet

At 31 March 2018

	Note	31 March 2018 £	31 March 2018 £	31 March 2017 £	31 March 2017 £
Fixed assets					
Intangible assets	*10*		**54,084**		122,412
Tangible assets	*11*		**2,772**		4,853
Investments	*12*		**100**		100
			56,956		127,365
Current assets					
Debtors	*13*	**4,712,544**		1,256,984	
Cash at bank and in hand	*14*	**1,984,291**		128,295	
		6,696,835		1,385,279	
Creditors : amounts falling due within one year	*15*	**(177,616)**		(769,126)	
Net current assets			**6,519,219**		616,153
Total assets less current liabilities			**6,576,175**		743,518
Net assets			**6,576,175**		743,518
Capital and reserves					
Called up share capital	*17*		**161,490**		117,000
Share premium			**6,942,815**		1,158,000
Profit and loss account			**(528,130)**		(531,482)
Shareholders' funds			**6,576,175**		743,518

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own statement of comprehensive income. The parent Company's result for the financial year was profit of £3,352 (2017: loss of £142,224).

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved by the board of directors on 19/10/19 and were signed on its behalf by:

Amit Gudka

A Gudka - Director

Company Registration No: 09249540

The notes on pages 13 to 25 form part of these financial statements.

Company Statement of Changes in Equity
As at 31 March 2018

	Called up share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 April 2017	117,000	1,158,000	(531,482)	743,518
Comprehensive income for the year				
Profit for the year	-	-	3,352	3,352
Total comprehensive income for the year	-	-	3,352	3,352
Transactions with owners, recorded directly in equity				
Issue of share capital	44,490	5,784,815	-	5,829,305
Total contributions by owners	44,490	5,784,815	-	5,829,305
Balance at 31 March 2018	**161,490**	**6,942,815**	**(528,130)**	**6,576,175**

	Called up share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 September 2016	113,000	1,112,000	(389,258)	835,742
Comprehensive expense for the year				
Loss for the year	-	-	(142,224)	(142,224)
Total comprehensive expense for the year	-	-	(142,224)	(142,224)
Transactions with owners, recorded directly in equity				
Issue of share capital	4,000	46,000	-	50,000
Total contributions by owners	4,000	46,000	-	50,000
Balance at 31 March 2017	117,000	1,158,000	(531,482)	(743,518)

The notes on pages 13 to 25 form part of these financial statements.

Notes

(Forming part of the financial statements)

1. Accounting policies

1.1 Basis of preparation of financial statements

Simple Energy Limited (the "Company") is a private Company incorporated, domiciled and registered in England in the UK. The registered number is 09249540 and the registered office is 68 Hanbury Street, London, England, E1 5JL.

These Group and parent Company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*) as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. See 1.15 for details.

The parent Company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent Company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent Company Cash Flow Statement with related notes is included;
- Key Management Personnel compensation has not been included a second time;
- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.2 Measurement convention

The financial statements are prepared on the historical cost basis.

1.3 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertaking made up to 31 March 2018. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated statement of comprehensive income from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

1.4 Going concern

The Group and Company's financial statements have been prepared on a going concern basis on the grounds that funding and financing at the date of signing the 2018 financial statements is adequate. In assessing going concern, the directors have a reasonable expectation that the Group and Company's will continue as a going concern and is able to meet all of its obligations as they fall due for a minimum of 12 months from the date of approval of these financial statements.

Notes *(Continued)*

1. Accounting policies *(continued)*

1.5 Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

1.6 Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

1.7 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the consolidated statement of comprehensive income on a reducing balance basis over the estimated useful lives of each part of an item of tangible fixed assets. The basis of depreciation are as follows:

- Computer equipment: 25% on reducing balance basis
- Office equipment: 33% on reducing balance basis

Notes *(Continued)*

1. Accounting policies *(continued)*

1.8 Intangible fixed assets

Research and development

Expenditure on research activities is recognised in the consolidated statement of comprehensive income as an expense as incurred.

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Group and Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group and Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Amortisation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Website development — 3 years
- Trademarks — Not in use

1.9 Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Group would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Group's non-financial assets reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

1.10 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the consolidated profit and loss account and other comprehensive income in the periods during which services are rendered by employees.

Notes *(Continued)*

1. Accounting policies *(continued)*

1.11 Employee benefits (continued)

Group Plans

Share based Payment transactions

Share-based payment arrangements in which the entity receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the entity.

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured based on a Group specific observable market data, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

1.12 Expenses

Interest receivable and interest payable

Interest income and interest payable are recognised in the consolidated statement of comprehensive income as they accrue, using the effective interest method.

1.13 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.14 Turnover

Turnover represents electricity and gas supplied during the period, net of VAT. This includes an estimate of the energy supplied to customers between the date of the last meter reading and the year end. Energy consumed but not yet billed to the customer is recognised as accrued income.

1.15 Critical estimates and judgements

Revenue for energy supply activities includes an assessment of the energy supplied to customers between the date of the last meter reading and the year end. This unread sunsumption is estimated through the billing systems on a customer by customer basis. Actual meter reads were compared to system estimates between the balance sheet date and the finalisation of the accounts.

Notes *(Continued)*

2. Prior year adjustments

During the current year, the directors decided to change their accounting policy in respect of the classification of costs between cost of sales and administrative expenses to better align with the underlying books and records and the accounting standards. The adjustment is to reclassify £467,405 of expenses from Cost of Sales to Administrative expenses. These costs primarily comprise meter asset costs and are not directly attributable to the consumption of energy. The reclassification brings Cost of Sales in line with financial KPIs used by the management team.

	As previously stated 1 September to 31 March 2017	Adjustment	1 September 2016 to 31 March 2017
	£	£	£
Reconciliation of the consolidated statement of comprehensive income			
Cost of sales	(9,391,200)	467,405	(8,923,795)
Administration expenses	(2,771,755)	(467,405)	(3,239,160)

3. Turnover

Analysis of turnover by country of destination:

	31 March 2018	1 September 2016 to 31 March 2017
	£	£
United Kingdom	182,770,092	10,036,017
	182,770,092	10,036,017

4. Operating loss

	31 March 2018	1 September 2016 to 31 March 2017
	£	£
Loss on ordinary activities before taxation:		
Depreciation on tangible fixed assets	37,603	6,366
Amortisation of intangible assets	68,328	68,273
Auditor remuneration	37,200	29,000
Marketing and customer acquisition	22,215,646	1,471,840
Loss on disposal of tangible fixed assets	1,913	-

Notes *(Continued)*

5. Staff numbers

	31 March 2018	1 September 2016 to 31 March 2017
	£	£
Wages and salaries	**2,678,851**	411,105
Social security	**305,231**	46,019
Pension costs	**8,510**	-
	2,992,592	457,124

The average number of persons employed by the Company (including directors) during the year was 67 (2017: 22).

6. Directors' remuneration

	31 March 2018	1 September 2016 to 31 March 2017
	No.	No.
Number of directors	**4**	3

	31 March 2018	1 September 2016 to 31 March 2017
	£	£
Directors' remuneration	**71,124**	80,000
	71,124	80,000

The highest paid director received remuneration of £40,088 (2017: £40,000).

7. Interest receivable and similar income

	31 March 2018	1 September 2016 to 31 March 2017
	£	£
Bank deposit interest	**3,933**	-
	3,933	-

Notes *(Continued)*

8. Interest payable and similar expenses

	31 March 2018	1 September 2016 to 31 March 2017
	£	£
Loan Interest	**449,699**	-
	449,699	-

9 Taxation

Total tax recognised in the statement of comprehensive income

	31 March 2018	1 September 2016 to 31 March 2017
	£	£
Current tax		
UK corporation tax at 19.00% (2017: 20.00%)	-	-
Adjustment in respect of prior period adjustment	**(140,321)**	-
Total current tax (credit)	**(140,321)**	-
Reconciliation of tax charge		
Loss on ordinary activities before tax	**(23,854,236)**	(2,126,938)
Tax on loss on ordinary activities at a rate of 19.00% (2017: 20.00%)	**(4,532,305)**	(425,388)
Effects of:		
Expenses not deductible tax purposes	**9,808**	-
Other permanent differences	**54,532**	-
Adjustment to tax charge in respect of previous period	**(140,321)**	-
Adjust closing deferred tax to average rate of 19.00% (2017: 20.00%)	**529,919**	-
Adjust opening deferred tax to average rate of 19.00% (2017: 20.00%)	**(59,697)**	-
Deferred tax not recognised	**3,997,743**	425,388
Total current tax (credit)	**(140,321)**	-

The group has estimated tax losses of £368,9801 (2017: £71,666) available to be carried forward and offset against future profits. There has been no deferred tax asset recognised due to the uncertainty concerning the timescale as to its recoverability.

Notes *(Continued)*

10. Intangible fixed assets

Group

	Website development	Trademark	Total
	£	£	£
Cost			
At 1 April 2017	203,362	-	203,362
Addition	-	4,118	4,118
At 31 March 2018	203,362	4,118	207,480
Amortisation			
At 1 April 2017	80,950	-	80,950
Charge for the year	68,328	-	68,328
At 31 March 2018	149,278	-	149,278
Net Book Value			
At 31 March 2018	**54,084**	**4,118**	**58,202**
Net Book Value			
At 31 March 2017	122,412	-	122,412

Company

	Website development 31 March 2018
	£
Cost	
At 1 April 2017	203,362
At 31 March 2018	203,362
Amortisation	
At 1 April 2017	80,950
Charge for the year	68,328
At 31 March 2018	149,278
Net Book Value	
At 31 March 2018	**54,084**
Net Book Value	
At 31 March 2017	122,412

Notes *(Continued)*

11. Tangible fixed assets

Group

	Computer equipment £	Office equipment £	Total £
Cost			
At 1 April 2017	62,755	14,160	76,915
Additions	202,458	18,431	220,889
Disposal	(3,832)	-	(3,832)
Balance at 31 March 2018	261,381	32,591	293,972
Depreciation			
At 1 April 2017	7,001	2,742	9,743
Charge for the year	29,882	7,721	37,603
Disposals	(1,919)	-	(1,919)
Balance at 31 March 2018	34,964	10,463	45,427
Net Book Value			
At 31 March 2018	**226,417**	**22,128**	**248,545**
Net Book Value			
At 31 March 2017	55,754	11,418	67,172

Company

	Computer equipment £	Office equipment £	Total £
Cost			
At 1 April 2017	6,723	1,257	7,980
Disposal	(2,060)	-	(2,060)
At 31 March 2018	4,663	1,257	5,920
Depreciation			
At 1 April 2017	2,657	470	3,127
Charge for the year	919	197	1,116
Disposals	(1,095)	-	(1,095)
At 31 March 2018	2,481	667	3,148
Net Book Value			
At 31 March 2018	**2,182**	**590**	**2,772**
Net Book Value			
At 31 March 2017	4,066	787	4,853

Notes *(Continued)*

12. Investments

Company

	Shares in Group undertakings £
Cost	
Balance at 1 April 2017	100
At 31 March 2018	**100**

The Company has the following subsidiary:

Name	Country of incorporation	Registered office address	Class of share	Holding
Bulb Energy Ltd*	United Kingdom	68-80 Hanbury Street, London, England, E1 5JL	Ordinary	100%

*The principal activity of this Company that of supplying renewable electricity and gas.

13. Debtors

	Group 31 March 2018 £	Company 31 March 2018 £	Group 1 September 2016 to 31 March 2017 £	Company 1 September 2016 to 31 March 2017 £
Amounts owed by Group undertakings	-	**4,671,008**	-	1,256,950
Prepayments and accrued income	**13,210,582**	-	899,174	-
Trade debtors	**22,550,730**	-	825,125	-
Other debtors	**7,696,940**	**41,536**	285,051	34
	43,458,252	**4,712,544**	2,009,350	1,256,984

All amounts shown under debtors fall due for payment within one year.

Amounts owed by Group undertakings bear no interest and are repayable on demand.

Notes *(Continued)*

14. Cash and cash equivalents

	Group 31 March 2018	Company 31 March 2018	Group 1 September 2016 to 31 March 2017	Company 1 September 2016 to 31 March 2017
	£	£	£	£
Cash at bank and in hand	**10,616,305**	**1,984,291**	337,721	128,295
	10,616,305	**1,984,291**	337,721	128,295

15. Creditors: amounts falling due within one year

	Group 31 March 2018	Company 31 March 2018	Group 1 September 2016 to 31 March 2017	Company 1 September 2016 to 31 March 2017
	£	£	£	£
Taxation and social security	**85,647**	**85,647**	35,916	35,916
Trade creditors	**3,724,885**	-	292,895	-
Other creditors	**150,309**	**54,937**	770,132	725,710
Accruals and deferred income	**40,648,769**	**37,032**	3,442,192	7,500
Interest-bearing loan*	**29,660,784**	-	-	-
	74,270,394	**177,616**	4,541,135	769,126

*The interest-bearing loan is secured and has a fixed term, ending on the 31 December 2018. Interest accrues at a rate of 9% per annum.

Notes *(Continued)*

16. Employee benefits

The Company runs a share based payments scheme, granting share options under an approved EMI option plan and unapproved options. The terms and conditions of the outstanding options granted are as follows:

Grant Date	Method of Settlement Accounting	Number of Instruments	Contractual life of options
Financial year 2017	Equity	23,148	Financial year 2027
Financial year 2018	Equity	1,205	Financial year 2028
		24,353	

The majority of the options vest over a 4 year employment period and lapse if employment ceases within 1 year. Of the total number of options outstanding at the end of the year, 11,230 had vested at the end of the year.

As all the options granted as at 31 March 2018 may be exercised only in the occurrence of an exit event and as the directors believe that at the present time the options are unlikely to become exercisable in the foreseeable future, no charge for share-based payment has been made in these accounts. The share-based payment charge will be spread over the period from when an exit event becomes more likely than not at the estimated date of that exit event. Share options granted in the future which exercise over a set vesting period will be accounted for over their vesting periods at fair value.

17. Called up share capital

	Group 31 March 2018	Group 1 September 2016 to 31 March 2017
	£	£
Allotted, issued and fully paid:		
500 (2017: 500) ordinary A shares of £1.00 each	**500**	500
160,990 (2017: 116,500) ordinary B shares of £1.00 each	**160,990**	116,500
	161,490	117,000

A and B ordinary shares rank pari passu, hold voting and dividend rights.

During the year 44,490 (2017: 4,000) ordinary B shares of £1.00 were issued and fully paid resulting in share premium of £5,784,814 (2017: £46,000).

18. Pension Commitments

The Group operates a defined contribution pension scheme. The assets of scheme are held separately from those of Group in an independently administered fund. The pension cost charge represents the contributions payable by the Group to the fund and amounted to £8,510 (2017: £nil). Contributions totalling £2,777 (2017: £nil) were payable to the fund at the balance sheet date.

Notes *(Continued)*

19. Related party transactions

During the year ended 31 March 2018, the Company loaned Bulb Energy Ltd £22,897,154 (2017: £1,059,577) of which £19,483,097 (2017: £442,700) was repaid. As at 31 March 2018, the Company was owed £4,671,007 (2017: £1,256,950) from Bulb Energy Ltd. Simple Energy Limited wholly owns all of the share capital of Bulb Energy Ltd. The balance is repayable on demand.

During the year ended 31 March 2018, the Company charged Bulb Energy Ltd management charges of £2,992,712 (2017: £457,043), which relate to salary costs.

20. Ultimate controlling party

There is no one ultimate controlling party at 31 March 2018 and 2017.

21. Post balance sheet events

The £30,000,000 interest-bearing loan issued by Bulb Energy Ltd was repaid early in full, on 1 August 2018.

On 12 June 2018, 6,559,804 preference shares of £0.01 were issued resulting in share premium of £59,934,305. All shares on issue have been split into 100 shares of 1 pence each.