

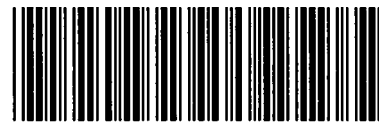
# **SSE Heat Networks Limited**

## **Directors report and financial statements**

**Year ended 31 March 2016**

*Registered No.: SC303682*

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# **SSE Heat Networks Limited**

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# **SSE Heat Networks Limited**

## **Directors and Other Information**

### **Directors**

Nathan Sanders  
Jody Pittaway  
Michael Reynolds  
Scott Anderson

### **Registered office**

55 Vastern Road  
Reading  
Berkshire  
RG1 8BU  
England

### **Secretary**

James Katon

### **Auditor**

KPMG LLP  
Chartered Accountants  
319 St Vincent Street  
Glasgow  
G2 5AS

### **Registered number**

SC303682

# SSE Heat Networks Limited

## Strategic Report

The directors submit their report and audited financial statements of the company for the year ended 31 March 2016.

### 1 Business review

The demand for new solutions outside traditional energy provision is being driven by planning requirements on developers to achieve carbon reductions and by customers demanding more environmentally and socially sustainable sources of energy at more predictable and financially attractive rates.

The company uses Combined Heat and Power (CHP), gas boiler and electric cooling generation to provide hot water and space heating and cooling to high density residential and commercial developments on district heating schemes. There are now 10 heat networks in operation and 5 further schemes where the company is the preferred bidder; Battersea, One Woolwich, RAM Quarter, Brighton Marina & Harbour Central. In the last 12 months, there have been over 1,000 new residential heat customers connected and the company's total heat customer base now stands at almost 6,000 with a further 8,000 contracted but not yet completed. In addition, in the last year the company has successfully expanded its offering to commercial customers and now has a total of over 250,000 square metres of commercial space under supply and a further 500,000 square meters in preferred bidder negotiation.

The Directors acknowledge that they have responsibility for the company's systems of internal control and risk management and for monitoring their effectiveness. The purposes of these systems are to manage, rather than eliminate, the risk of failure to achieve business objectives, to provide reasonable assurance as to the quality of management information and to maintain proper control over the income, expenditure, assets and liabilities of the Company. No system of control can, however, provide absolute assurance against material misstatement or loss. Accordingly, the Directors have regard to what controls, in their judgement, are appropriate to the Company's business and to the relative costs and benefits of implementing specific controls.

Control is maintained through an organisational structure with clearly defined responsibilities, authority levels and lines of reporting; the appointment of suitably qualified staff in specialised business areas; and continuing investment in quality information systems. These methods of control are subject to periodic review as to their implementation and continued suitability.

Exacting standards of performance are set to ensure the quality of connections work and service to customers are maintained. The principal risks and uncertainties concern uncertainty in the property development sector, the reliance on new technology, major service failure due to fire/damage to energy centre or damage to upstream gas connection, and significant policy change which disproportionately favours alternative energy provisions (such as micro generation).

The board reviews and agrees policies for addressing each of these risks.

The profit and loss account for the year ended 31 March 2016 is set out on page 7. The loss for the year after taxation amounted to £0.9m (2015: loss of £1.4m). The balance sheet at 31 March 2016 is set out on page 8 and indicates net liabilities of £10.0m (2015: net liabilities of £9.0m).

# SSE Heat Networks Limited

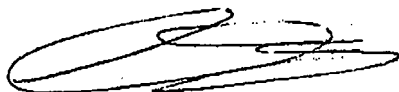
## Strategic Report *(continued)*

### 2 Key performance indicators

The Directors believe that the following indicators will provide shareholders with sufficient information to assess how effectively the company is performing.

Financial / Operational	2016	2015
Gross profit - £000	2,146	1,246
Turnover - £000	6,820	5,414
Operating profit/(loss) - £000	16	(654)
Net liabilities - £000	(9,959)	(9,046)

On behalf of the board



Nathan Sanders  
Director  
9 December 2016

# SSE Heat Networks Limited

## Directors' Report

The directors present their report together with the audited financial statements for the year ended 31 March 2016.

Reporting requirements on the Company's principal activities and future developments, its principal risks and uncertainties and its key performance indicators can be found in the Strategic Report on page 2.

### 1 Principal activities

SSE Heat Networks Limited (the "company") is a wholly owned subsidiary of SSE plc and part of the SSE Group (the 'Group').

The company's principal activity during the year was the development, operation and maintenance of district heating schemes, delivering electricity, heat and cooling. The technologies utilised include combined heat and power plant, biomass boilers and heat pumps.

### 2 Results and dividends

The loss for the financial year amounted to £0.9m (2015: loss of £1.4m).

The balance sheet at 31 March 2016 is set out on page 8 and indicates net liabilities of £10.0m (2015: net liabilities of £9.0m).

The directors do not recommend the payment of a dividend (2015: £nil).

### 3 Directors

The directors and secretary who served during the year are as listed on page 1. In accordance with the Articles of Association of the company the directors are not required to retire by rotation.

### 4 Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the 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.

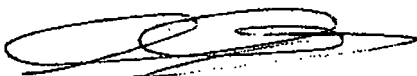
### 5 Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will, therefore, continue in office.

### 6 Going concern

The directors have assessed that the company will prepare its financial statements on a going concern basis, see note 1 for details.

On behalf of the Board:



Nathan Sanders  
Director  
9 December 2016

# SSE Heat Networks Limited

## Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The directors are responsible for preparing the Strategic report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS101 Reduced Disclosure Framework.

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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the Board:



Nathan Sanders  
Director  
9 December 2016

## Independent Auditor's Report to the Members of SSE Heat Networks Limited

We have audited the financial statements of SSE Heat Networks Limited for the year ended 31 March 2016 as set out on pages 7 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS101 Reduced Disclosure Framework.

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.

### Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**James Ledward (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
319 St Vincent Street  
Glasgow  
G2 5AS

19 December 2016



# SSE Heat Networks Limited

## Profit and Loss Account for the year ended 31 March 2016

	Note	2016 £000	2015 £000
Turnover		6,820	5,414
Cost of sales		(4,674)	(4,168)
Gross profit		2,146	1,246
Administrative costs	2	(2,130)	(1,900)
Operating profit/(loss)	2	16	(654)
Interest payable and similar charges	4	(934)	(860)
Loss on ordinary activities before taxation		(918)	(1,514)
Tax on loss on ordinary activities	5	5	155
Loss for the financial year		(913)	(1,359)

### Continuing operations

The above results are derived from continuing activities.

The accompanying notes are an integral part of these financial statements.

### Total other comprehensive income

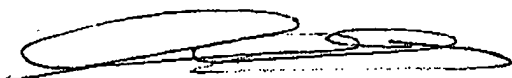
The company had no other comprehensive income in the current or prior financial years.

# SSE Heat Networks Limited

## Balance Sheet as at 31 March 2016

	Note	2016 £000	2015 £000
<b>Fixed assets</b>			
Tangible assets	6	17,042	16,219
<b>Current assets</b>			
Debtors : amounts falling due within one year	7	5,164	5,311
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	8	(1,132)	(559)
<b>Net current assets</b>		<u>4,032</u>	<u>4,752</u>
<b>Total assets less current liabilities</b>		<u>21,074</u>	<u>20,971</u>
<b>Creditor: amounts falling due after more than one year</b>	9	(30,962)	(29,970)
Deferred taxation	10	(71)	(47)
<b>Net liabilities excluding pension liability</b>		<u>(9,959)</u>	<u>(9,046)</u>
<b>Net liabilities</b>		<u>(9,959)</u>	<u>(9,046)</u>
<b>Capital and reserves</b>			
Profit and loss account		(9,959)	(9,046)
<b>Equity Shareholders' deficit</b>		<u>(9,959)</u>	<u>(9,046)</u>

These financial statements were approved by the Directors on 9 December 2016 and signed on their behalf by:



Nathan Sanders  
Director  
Company registered number: SC303682

# SSE Heat Networks Limited

## Statement of Changes in Equity for the year ended 31 March 2016

	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
Balance at 1 April 2014	-	-	(7,687)	(7,687)
Profit for the financial year	-	-	(1,359)	(1,359)
Balance at 31 March 2015	-	-	(9,046)	(9,046)
Balance at 1 April 2015	-	-	(9,046)	(9,046)
Loss for the financial year	-	-	(913)	(913)
Balance at 31 March 2016	-	-	(9,959)	(9,959)

# SSE Heat Networks Limited

## Notes on the Financial statements for the year ended 31 March 2016

### 1 Significant accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

#### Basis of preparation

The financial statements have been prepared in accordance with all applicable United Kingdom accounting standards. The principal accounting policies are summarised below and have been applied consistently.

In preparing these financial statements, the Company has applied the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRS'), but has made amendments, where necessary, in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The company has transitioned its adopted accounting framework from UK Generally Accepted Accounting policies (UK GAAP) to FRS 101, details on changes affecting the company are in note 13.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for tangible fixed assets and intangible assets;
- The effect of new, but not yet effective, IFRSs;
- Disclosures in respect of the compensation of key management personnel;
- Disclosures in respect of capital management; and
- Related party disclosures.

As the consolidated financial statements of SSE plc include the equivalent disclosure, the Company has also taken advantage of the exemptions, under FRS 101, available in respect of the following disclosure:

- Certain disclosures, required by *IAS 36 Impairment of assets*, in respect of the impairment of goodwill and life intangible assets.
- *IFRS 2 Share based payments* in respect of group settled share based payments, and
- Certain disclosures required by *IFRS 13 Fair value measurement* and the disclosures required by *IFRS 7 Financial instrument* disclosures.

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

#### Going concern

The company has net current liabilities and is dependent on ongoing financial support from a fellow group company. The financial statements have been prepared on a going concern basis which assumes adequate finance will be available for the foreseeable future. A fellow group company has given an undertaking not to demand repayment of monies advanced to the company for the foreseeable future.

The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting liabilities as they fall due for payment.

#### Turnover

Turnover, stated net of value added tax, relates to income associated with operating and maintaining district heating schemes, delivering electricity, heat and cooling.

# SSE Heat Networks Limited

## Notes on the Financial statements *(continued)* for the year ended 31 March 2016

### 1 Significant accounting policies *(continued)*

#### Taxation

The charge for taxation is based on the loss for the year and takes into account deferred taxation.

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted, or substantially enacted, by the balance sheet date.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

#### Property, plant and equipment

The presentation of property, plant and equipment at Note 6 includes the net book value of assets under construction as a separate column in the main tabular disclosure. Assets under construction that are commissioned and enter operation in the financial year are transferred from relevant column to the appropriate category of assets in the table. Capital additions in the year comprise additions to assets still in construction, additions to commissioned operational assets and other directly incurred capital costs.

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairments. The cost of self constructed assets includes the cost of materials, direct labour and an appropriate proportion of other directly attributable costs. Where an item of property, plant and equipment comprises major components having different useful lives, the components are accounted for as separate items of property, plant and equipment and depreciated accordingly.

#### Depreciation

Depreciation is provided on tangible and intangible fixed assets to write off cost, less residual values, on a straight-line basis over their estimated operational lives. The estimated operational lives are as follows:

	Years
Network assets	20 to 25

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

#### Customer contributions

Customer contributions and capital grants are recorded as deferred income and released to the profit and loss account over the estimated useful life of the related fixed asset.

# SSE Heat Networks Limited

## Notes on the Financial statements *(continued)* for the year ended 31 March 2016

### 2 Expenses and auditor's remuneration

Operating profit/(loss) is arrived at after charging/(crediting):

	2016	2015
	£000	£000
Release of deferred income in relation to customer contributions and capital grants	-	(752)
Depreciation of tangible fixed assets	3,846	802

The company incurred an audit fee of £949 (2015: £949) which was borne by the parent company.

In the prior year a one off Scottish Government grant of £752,000 under the Eco-Money scheme was received for the Wyndford network.

### 3 Staff costs and numbers

In the current year there are no employees directly employed by the Company (2015: nil).

No Director received remuneration in respect of their service to the Company (2015: nil).

### 4 Interest payable and similar charges

	2016	2015
	£000	£000
Interest payable to group companies	934	860
	934	860

# SSE Heat Networks Limited

## Notes on the Financial statements *(continued)* for the year ended 31 March 2016

### 5 Taxation

	2016 £000	2015 £000
UK corporation tax		
Current tax on income for the period	(21)	(179)
Adjustment in respect of prior periods	(8)	(20)
<b>Total current tax credit</b>	<b>(29)</b>	<b>(199)</b>
Deferred tax (see note 10):		
Origination and reversal of timing differences	24	42
Change in applicable tax rate	(8)	-
Adjustment in respect of prior periods	8	2
<b>Total deferred tax</b>	<b>24</b>	<b>44</b>
<b>Total tax on loss on ordinary activities</b>	<b>(5)</b>	<b>(155)</b>

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2016 £000	2015 £000
Loss before taxation	(918)	(1,514)
Tax on loss on ordinary activities at standard UK corporation tax rate of 20% (2015: 21%)	(183)	(318)
Effects of:		
Expenses not deductible for tax purposes	187	181
Effect of rate change	(1)	-
Corporation tax adjustment in respect of previous periods	(8)	(18)
<b>Total tax credit for year</b>	<b>(5)</b>	<b>(155)</b>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 March 2016 has been calculated based on these rates.

# SSE Heat Networks Limited

## Notes on the Financial statements *(continued)* for the year ended 31 March 2016

### 6 Tangible fixed assets

	Assets under the course of construction (AUC) £000	Network Assets £000	Total £000
<b>Cost:</b>			
At 1 April 2015	890	20,587	21,477
Additions	4,669	-	4,669
Transfers	(1,636)	1,636	-
<b>At 31 March 2016</b>	<b>3,923</b>	<b>22,223</b>	<b>26,146</b>
<b>Accumulated depreciation:</b>			
At 1 April 2015	-	5,258	5,258
Charge for the year	-	3,846	3,846
<b>At 31 March 2016</b>	<b>-</b>	<b>9,104</b>	<b>9,104</b>
<b>Net book value:</b>			
<b>At 31 March 2016</b>	<b>3,923</b>	<b>13,119</b>	<b>17,042</b>
At 31 March 2015	890	15,329	16,219

### 7 Debtors

	2016 £000	2015 £000
Amounts falling due within one year:		
Trade debtors	4,264	2,691
Amounts owed by group undertakings	368	2,309
Corporation tax - group relief receivable	21	-
Other debtors	511	311
	<b>5,164</b>	<b>5,311</b>

### 8 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	-	1
Amounts owed to group undertakings	370	304
Other creditors	-	93
Corporation tax payable	-	161
Accruals and deferred income	762	-
	<b>1,132</b>	<b>559</b>



# SSE Heat Networks Limited

## Notes on the Financial statements *(continued)* for the year ended 31 March 2016

### 9 Creditors: amounts falling due after more than one year

	2016 £000	2015 £000
Amounts owed to group undertakings	17,107	14,996
Accruals and other deferred income	13,855	14,973
	<u>30,962</u>	<u>29,970</u>

### 10 Deferred taxation

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2016 £000	2015 £000	2016 £000	2015 £000	2016 £000	2015 £000
Accelerated capital allowances and other timing differences	-	-	(71)	(47)	(71)	(47)
Net tax liabilities	-	-	<u>(71)</u>	<u>(47)</u>	<u>(71)</u>	<u>(47)</u>

*Movement in deferred tax during the year*

	1 April 2015 £000	Recognised in income £000	Recognised in equity £000	31 March 2016 £000
Accelerated capital allowances and other timing differences	(47)	(24)	-	(71)
	<u>(47)</u>	<u>(24)</u>	<u>-</u>	<u>(71)</u>

*Movement in deferred tax during prior year*

	1 April 2014 £000	Recognised in income £000	Recognised in equity £000	31 March 2015 £000
Accelerated capital allowances and other timing differences	(3)	(44)	-	(47)
	<u>(3)</u>	<u>(44)</u>	<u>-</u>	<u>(47)</u>

### 11 Share capital

	2016 £	2015 £
Equity:		
Allotted, called up and fully paid:		
1 ordinary shares of £1.00 each	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

# SSE Heat Networks Limited

## Notes on the Financial statements *(continued)*

for the year ended 31 March 2016

### **12 Ultimate parent company**

The Company is a subsidiary of SSE plc, which is the ultimate parent company and is registered in Scotland. The largest and smallest Group in which the results of the Company are consolidated is that headed by SSE plc. The consolidated financial statements of the Group (which include those of the Company) are available from the Company Secretary, SSE plc, Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ or by accessing the Company's website at [www.sse.com](http://www.sse.com).

### **13 Explanation of transition to FRS 101 from Adopted old UK GAAP**

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2016 and the comparative information presented in these financial statements for the year ended 31 March 2015.

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

The transition adjustments relate to IFRIC 18, under which customer contributions can no longer be deferred to cover future maintenance costs, but should be recognised on completion of the asset. This has the effect of additional deferred income as revenue in the comparative period and also reducing the fixed assets balance.

# SSE Heat Networks Limited

## Notes on the Financial statements *(continued)*

for the year ended 31 March 2016

### 13 Explanation of transition to FRS 101 from Adopted old UK GAAP *(continued)*

		1 April 2014		31 March 2015		
	Note	Adopted UK GAAP £000	Effect of transition to FRS 101 £000	FRS101 Adopted UK GAAP £000	Effect of transition to FRS 101 £000	FRS 101 £000
<b>Fixed assets</b>						
Tangible assets	6	17,998	-	17,998	18,854	(2,635)
		17,998	-	17,998	18,854	(2,635)
<b>Current assets</b>						
Debtors:						
amounts falling due within one year	7	9,796	-	9,796	5,311	-
<b>Total current assets</b>		9,796	-	9,796	5,311	-
<b>Current liabilities</b>						
Creditors: amounts falling due within one year	8	(2,504)	-	(2,504)	(2,819)	2,260
<b>Net current assets</b>		7,292	-	7,292	2,492	2,260
<b>Total assets less current liabilities</b>		25,290	-	25,290	21,346	(375)
Creditors: amounts falling due after more than one year	9	(32,974)	-	(32,974)	(30,345)	375
Deferred tax liabilities	10	(3)	-	(3)	(47)	-
<b>Net liabilities</b>		(7,687)	-	(7,687)	(9,046)	1
<b>Capital and reserves</b>						
Called up share capital	11	-	-	-	-	-
Profit and loss account		(7,687)	-	(7,687)	(9,046)	-
<b>Shareholders' deficit</b>		(7,687)	-	(7,687)	(9,046)	-

# SSE Heat Networks Limited

## Notes on the Financial statements *(continued)* for the year ended 31 March 2016

### 13 Explanation of transition to FRS 101 from Adopted old UK GAAP *(continued)*

		Adopted UK GAAP	2015 Effect of transition to FRS 101	FRS 101
	Note	£000	£000	£000
Turnover		2,779	2,635	5,414
Cost of sales		(1,533)	(2,635)	(4,168)
Gross (loss)/profit		1,246	-	1,246
Administrative costs	2	(1,900)	-	(1,900)
Operating loss	2	(654)	-	(654)
Interest payable and similar charges	4	(860)	-	(860)
Exceptional items	14	-	-	-
Loss on ordinary activities before taxation		(1,514)	-	(1,514)
Tax on loss on ordinary activities	5	155	-	155
Loss for the financial year		(1,359)	-	(1,359)

FRS 101 transition resulted in one transition adjustment relating to the adoption of IFRIC 18 customer contributions by the company. The company has elected to grandfather existing policies up to the date of transition to FRS 101.