

Financial Statements

KWH Consulting Limited

For the year ended 31 December 2017



Registered number: 06067461

KWH Consulting Limited

Company Information

Directors

Mark Dickinson
Paul Connor

Registered number

06067461

Registered office

29 Progress Park
Orders Lane
Kirkham
Preston
Lancashire
PR4 2TZ

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
4 Hardman Square
Spinningfields
Manchester
M3 3EB

Contents

	Page
Directors' Report	1
Statement of Directors' responsibilities	2
Independent Auditor's Report	3 - 4
Income Statement	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8 - 15

Directors' Report

For the year ended 31 December 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Principal activities and results

The company's principal activity during the year was that of procurement services to energy intensive SMEs in respect of their energy purchasing.

The company is reporting a loss for the year of £18,121 (2016: £398,655 profit).

Directors

The directors who served during the year were:

Mark Dickinson (appointed 10 October 2017)
Paul Connor (appointed 21 August 2017)
Janet Thornton (resigned 10 October 2017)
Matthew Thornton (resigned 22 March 2018)
David Foreman (resigned 10 October 2017)

Going Concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

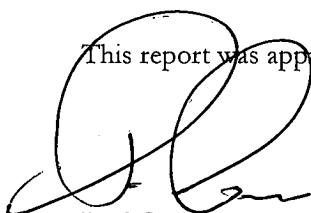
- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 24 September 2018 and signed on its behalf.



Paul Connor
Director

Statement of Directors' responsibilities

For the year ended 31 December 2017

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws including FRS 101 "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 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 judgments 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; 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.

Independent Auditor's Report to the Members of KWH Consulting Limited

Opinion

We have audited the financial statements of KWH Consulting Limited (the 'company') for the year ended 31 December 2017 which comprise the income statement, the statement of financial position, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (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 31 December 2017 and of its 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 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.

Who we are reporting to

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.

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.

Independent Auditor's Report to the Members of KWH Consulting Limited

Opinions 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.

Matter on which we are required to report under the Companies Act 2006

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 or the directors' report.

Matter on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report from the requirement to prepare a strategic report

Responsibilities of directors for the financial statements

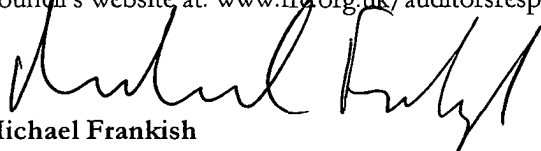
As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Michael Frankish

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Chartered Accountants, Statutory Auditor

Manchester

27 September 2018

Income Statement

For the year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	3	(8,127)	753,525
Cost of sales		-	(520)
Gross (loss)/profit		(8,127)	753,005
Administrative expenses		(10,048)	(254,677)
Operating (loss)/profit	4	(18,175)	498,328
(Loss)/profit on ordinary activities before taxation		(18,175)	498,328
Tax on (loss)/profit on ordinary activities	5	54	(99,673)
(Loss)/profit for the financial year		(18,121)	398,655

There were no recognised gains or losses other than the (loss)/profit in either the current or previous financial year. Accordingly, a Statement of Comprehensive Income has not been prepared.

All turnover and operating profits are derived from continuing operations.

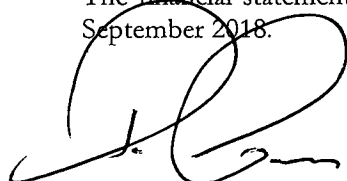
The notes on pages 8 to 15 form part of these financial statements.

Statement of Financial Position

As at 31 December 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Intangible assets	6		1,917		2,917
Current assets					
Debtors: amounts falling due within one year	7	496,261		514,265	
Cash at bank		24,083		30,251	
		<u>520,344</u>		<u>544,516</u>	
Creditors: amounts falling due within one year	8	<u>(104,916)</u>		<u>(111,948)</u>	
Net current assets			<u>415,428</u>		<u>432,568</u>
Total assets less current liabilities			<u>417,345</u>		<u>435,485</u>
Provisions for liabilities					
Deferred tax	9		-		(19)
Net assets			<u>417,345</u>		<u>435,466</u>
Capital and reserves					
Called up share capital	10		4		4
Profit and loss account			<u>417,341</u>		<u>435,462</u>
Shareholders' funds			<u>417,345</u>		<u>435,466</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 September 2018.



Paul Connor
Director

The notes on pages 8 to 15 form part of these financial statements.

Statement of Changes in Equity

As at 31 December 2017

	Share capital £	Profit and loss account £	Total shareholders' equity £
Balance at 1 January 2016	4	36,807	36,811
Profit and total comprehensive income for the period	-	398,655	398,655
Balance at 31 December 2016	4	435,462	435,466
Profit and total comprehensive income for the period	-	(18,121)	(18,121)
Balance at 31 December 2017	4	417,341	417,345

Notes to the Financial Statements

For the year ended 31 December 2017

1. Company information

The company's principal activity during the year was that of procurement services to energy intensive SMEs in respect of their energy purchasing. KWH Consulting Limited is incorporated and domiciled in England and Wales.

2. Accounting Policies

These financial statements were prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The Company's Financial Statements are presented in Sterling.

These financial statements have been prepared on a going concern basis and on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

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

2.1 Basis of preparation of financial statements

The Company financial statements have been prepared in accordance with FRS 101.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of paragraphs 45(b) and 46-52 of "IFRS 2 Share based payment", as the share based payment arrangement concerns the instruments of another group entity;
- (b) the requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 "Property, Plant and Equipment";
- (c) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 "Presentation of Financial Statements" and the requirements of IAS 7 "Statement of Cash Flows";
- (d) the requirements of paragraphs 30 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors";
- (e) the requirements of paragraph 17 of IAS 24 "Related Party Disclosures";
- (f) the requirements in IAS 24 "Related Party Disclosures" to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (g) key management personnel disclosures;
- (h) financial instrument disclosures, including:
 - a. categories of financial instruments,
 - b. items of income, expenses, gains or losses relating to financial instruments, and
 - c. exposure to and management of financial risk.

2.2 Going Concern

After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Notes to the Financial Statements

For the year ended 31 December 2017

2. Accounting Policies (continued)

2.3 Turnover

Turnover comprises commissions received from energy suppliers, net of value added tax, for the procurement as an agent of fixed, flexible or risk managed energy contracts with end users. Turnover is recognised in line with actual or estimated energy usage on a straight line basis over the life of the contract when it is probable that economic benefits will flow to the company and their value can be reliably measured.

2.4 Intangible fixed assets and amortisation

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Computer software	- 5 years straight line
-------------------	-------------------------

2.5 Operating leases

Rentals under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the lease term.

2.6 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Notes to the Financial Statements

For the year ended 31 December 2017

2. Accounting Policies (continued)

2.6 Financial instruments (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade debtors and other debtors fall into this category of financial instrument.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of the counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Financial liabilities

The Company's financial liabilities include borrowings, trade creditors and other creditors and derivative financial instruments.

Financial liabilities are measured subsequently at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

Intercompany balances

Amounts due from group companies are initially recognised at fair value being the present value of future interest and capital receipts discounted at the market rate of interest for a similar financial asset. Where the face value of the loan exceeds the fair value of the loan on initial recognition this difference is treated as follows:

- If the loan is to a parent Company the difference is shown as a deduction from equity
- If the loan is to a fellow subsidiary the difference is shown as a deduction from equity
- If the loan is due from a subsidiary the difference is added to the investment in that subsidiary.

Interest receivable on the loan is recognised in profit or loss under the effective interest method.

2.7 Cash and cash equivalents

Cash comprise cash on hand and demand deposits which is presented as cash at bank and in hand in the statement of financial position.

Cash equivalents comprise short-term, highly liquid investments with maturities of three months or less from inception that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are presented as part of current asset investments in the statement of financial position.

Notes to the Financial Statements

For the year ended 31 December 2017

2. Accounting Policies (continued)

2.8 Significant judgement in applying accounting policies and key estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Significant management judgement

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Capitalisation of internally developed software

Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired (see note 6).

3. Turnover

All turnover arose within the United Kingdom and was derived from the company's principal activity.

4. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2017 £	2016 £
Amortisation – intangible fixed assets	1,000	1,000

During the year, no director received any emoluments (2016: £nil) from the company. Directors' emoluments and auditor's remuneration was borne by the parent company, Inspired Energy Plc.

Notes to the Financial Statements

For the year ended 31 December 2017

5. Taxation

	2017 £	2016 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	-	99,743
Adjustments in respect of prior periods	31	-
Total current tax	31	99,743
Deferred tax (see note 9)		
Current year charge	(85)	(70)
Tax on profit on ordinary activities	(54)	99,673

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 19.00% (2016: 20.00%). The differences are explained below:

	2017 £	2016 £
(Loss)/profit on ordinary activities before tax	(18,175)	498,328
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	(3,499)	99,666
Effects of:		
Expenses not deductible for tax purposes	620	-
Adjustments to tax charge in respect of prior periods	30	-
Group relief	2,784	-
Adjust closing deferred tax	9	(3)
Adjust opening deferred tax	2	10
Current tax (credit)/charge for the year (see note above)	(54)	99,673

Notes to the Financial Statements

For the year ended 31 December 2017

6. Intangible assets

	Computer software	Total
	£	£
Cost		
At 1 January and 31 December 2017	<u>5,000</u>	<u>5,000</u>
Amortisation		
At 1 January 2017	2,083	2,083
Charge for the year	1,000	1,000
At 31 December 2017 [~]	<u>3,083</u>	<u>3,083</u>
Net book value		
At 31 December 2017	<u>1,917</u>	<u>1,917</u>
At 31 December 2017	<u>2,917</u>	<u>2,917</u>

7. Debtors

	2017	2016
	£	£
Due within one year		
Trade debtors	14,537	30,025
Deferred tax (note 9)	66	-
Amount owed by group undertakings	237,762	83,869
Prepayments and accrued income	243,896	400,371
	<u>496,261</u>	<u>514,265</u>

Notes to the Financial Statements

For the year ended 31 December 2017

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	1,507	-
Corporation tax	99,743	99,712
Other taxation and social security	3,667	12,236
	<u>104,917</u>	<u>111,948</u>

9. Deferred taxation

	2017 £	2016 £
At beginning of year	19	89
Charge for year (P&L)	(85)	(70)
At end of year	<u>(66)</u>	<u>19</u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	<u>(66)</u>	<u>19</u>

The current year deferred tax asset of £66 is recognised within debtors (see note 7).

10. Called up share capital

	2017 £	2016 £
4 Ordinary shares of £1 each	<u>4</u>	<u>4</u>

Notes to the Financial Statements

For the year ended 31 December 2017

11. Reserves

Called up share capital – represents the nominal value of shares that have been issued.

Profit and loss account – includes all current and prior period retained profits and losses.

12. Operating lease commitments

The future minimum lease payments under operating lease agreements are:

	2017 £	2016 £
Within one year	-	9,998
Within one to two years	-	9,998
Within five years	-	29,993
	<hr/>	<hr/>
	-	49,989
	<hr/>	<hr/>

13. Related party transactions

The company has taken advantage of the exemption in FRS101 and has not disclosed transactions with group undertakings.

14. Ultimate parent undertaking and controlling party

The directors consider the ultimate parent company to be Inspired Energy Plc, a company registered in England and Wales, which owns 100% of the issued share capital of KWH Consulting Limited.

Copies of the group financial statements can be obtained from Companies House.