Gas Plus Supply Limited

Report and Financial Statements

YEAR ENDED 31 MARCH 2016

Company Registration Number 5199935

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Gas Plus Supply Limited
Report and Accounts
For the year ended 31 March 2016

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Gas Plus Supply Limited
Report and Accounts
For the year ended 31 March 2016

Directors of the company

S Veal
A Lindsay
N Schoenfeld

Secretary and registered office

D Baxter
Network HQ
508 Edgware Road
The Hyde
London
NW9 5AB

Independent auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Banker

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Solicitor

Nabarro LLP
Lacon House
Theobald's Road
London
WC1X 8RW

Gas Plus Supply Limited
Strategic Report
For the year ended 31 March 2016

REVIEW OF THE BUSINESS

Amounts included in the annual accounts relate to the provision of gas services to residential and small business customers.

The profit on ordinary activities before taxation for the year ended 31 March 2016, set out on page 5, was £3,964,000 (16 month period ended 31 March 2015: £15,393,000). The Company does not have any financial instruments other than debtors and creditors arising from its normal business activities. Any risks in respect of financial instruments of the parent company are disclosed in its accounts.

The resulting financial position of the Company is set out in the balance sheet on page 6.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company does not actively use financial instruments as part of its financial risk management and therefore is not subject to price or liquidity risk. It is exposed to the usual credit and cash flow risks associated with the supply of services on credit and manages these through appropriate credit control procedures.

DEVELOPMENT AND PERFORMANCE

The Company has traded satisfactorily during the year and is expected to continue to do so.

BY ORDER OF THE BOARD

N Schoenfeld
Director
13 July 2016

Gas Plus Supply Limited
Report of the Directors
For the year ended 31 March 2016

The directors have pleasure in presenting their report and the audited financial statements for the year ended 31 March 2016.

ACTIVITIES

The principal activity of the Company is the supply of gas services to residential and small business customers. Information on the principal risks and the development of the Company are set out in the Strategic Report on page 1. The Company did not make any political donations during the period.

DIRECTORS

The directors of the Company during the year were:

S Veal
A Lindsay
N Schoenfeld

FUTURE PROSPECTS

The Company has traded satisfactorily during the year and is expected to continue to do so.

DIVIDENDS

An interim dividend of £10,000,000 was paid to the parent company Telecom Plus PLC during the year (2015: Nil). The directors recommend that no final dividend is paid (2015: a final dividend of £1,378,000 was paid to former parent company Npower Limited on 11 December 2013 in relation to the period ended 30 November 2013).

DISCLOSURE OF INFORMATION

So far as the directors are aware, there is no information needed by the Company's auditor in connection with preparing their report of which they are unaware, and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

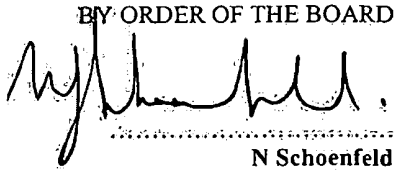
DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company maintains appropriate insurance to cover directors' and officers' liability and has provided an indemnity, as permitted by the Companies Act 2006, in respect of all of the Company's directors which was in force throughout the financial year and remains in force. Neither the insurance nor the indemnity provides cover where a director has acted fraudulently or dishonestly.

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.

BY ORDER OF THE BOARD



N Schoenfeld
Director
13 July 2016

Gas Plus Supply Limited
Directors' Responsibilities
For the year ended 31 March 2016

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 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 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 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.

Independent Auditor's Report to the Members of Gas Plus Supply Limited

We have audited the financial statements of Gas Plus Supply Limited for the year ended 31 March 2016 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 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 3, 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.

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 profit 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.

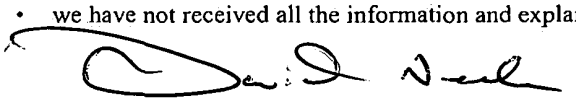
Opinion on other matter prescribed by the Companies Act 2006

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.



David Neale (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square, London
E14 5GL
United Kingdom
13 July 2016

Gas Plus Supply Limited
Profit and Loss Account and Other Comprehensive Income
For the year ended 31 March 2016

	Note	Year ended 31 March 2016 £'000	16 month period ended 31 March 2015 £'000
Turnover	2	**273,889**	421,886
Cost of sales		**(245,138)**	(374,853)
Gross profit		**28,751**	47,033
Distribution costs		**(4,527)**	(6,562)
Administrative expenses		**(20,260)**	(25,078)
Operating profit	4	**3,964**	15,393
Net interest and similar income		**-**	-
Profit on ordinary activities before taxation		**3,964**	15,393
Tax on profit on ordinary activities	5	**(626)**	(3,476)
Profit on ordinary activities after taxation		**3,338**	11,917

All amounts relate to continuing activities.

The Company has no other comprehensive income for the year.

The notes on pages 8 to 13 form part of these financial statements.

Company number: 5199935

Gas Plus Supply Limited
Balance Sheet
For the year ended 31 March 2016

	Note	31 March 2016 £'000	£'000	31 March 2015 £'000	£'000
CURRENT ASSETS					
Debtors	6	62,974		84,322	
Cash		43		9	
		63,017		84,331	
CREDITORS: amounts falling due within one year	7	(56,605)		(71,257)	
NET CURRENT ASSETS			6,412		13,074
TOTAL ASSETS LESS CURRENT LIABILITIES			6,412		13,074
NET ASSETS			6,412		13,074
CAPITAL AND RESERVES					
Called up share capital	8		-		-
Profit and loss account			6,412		13,074
SHAREHOLDERS' FUNDS			6,412		13,074

The notes on pages 8 to 13 form part of these financial statements.

The Board of Directors approved these financial statements on 13 July 2016.

Signed and authorised for issue on behalf of the Board of Directors:

N Schoenfeld
Director

Gas Plus Supply Limited
Statement of Changes in Equity
For the year ended 31 March 2016

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 December 2013	-	**2,535**	**2,535**
Profit for the year	-	11,917	11,917
Other Comprehensive Income	-	-	-
Dividends	-	(1,378)	(1,378)
Balance at 31 March 2015	-	**13,074**	**13,074**
Balance at 1 April 2016	-	**13,074**	**13,074**
Profit for the year	-	3,338	3,338
Other Comprehensive Income	-	-	-
Dividends	-	(10,000)	(10,000)
Balance at 31 March 2016	-	**6,412**	**6,412**

The notes on pages 8 to 13 form part of these financial statements.

1 ACCOUNTING POLICIES

Gas Plus Supply Limited ("the Company") is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

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

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. In the transition to FRS 101 from UK GAAP, the Company has not been required to make any measurement and recognition adjustments.

The Company's parent undertaking, Telecom Plus PLC includes the Company in its consolidated financial statements. The consolidated financial statements of Telecom Plus PLC are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Network HQ, 508 Edgware Road, London, NW9 5AB.

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;
- Disclosures in respect of transactions with fellow wholly owned subsidiaries and parent company Telecom Plus PLC;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Telecom Plus PLC include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

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

(a) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. The directors have prepared these accounts on a going concern basis.

Revenue relating to the sale of gas includes an estimate of the value gas supplied to customers between the date of the last meter reading and the period end. This will have been estimated by using historical consumption patterns, prevailing weather data and other industry information.

Whilst the estimation routines are currently considered appropriate, a significant change in historical consumption patterns and/or a failure to maintain the accuracy of the estimation routines could impact the amount of revenue recognised.

(b) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account 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, and any adjustment to tax payable in respect of previous years.

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 following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. 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.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

(c) Cash flow statement

The Company has taken advantage of the exemption from presenting a cash flow statement under the terms of FRS 101.

(d) Revenue recognition

Revenue comprises the value of sales (excluding VAT) for services delivered during the year in the normal course of business. The recognition of revenue associated with the provision of gas services to customers by the Company relies on estimates of usage where meter readings are not available. These estimates are based on historical usage information adjusted for known factors such as variations in weather. Revenue is recognised during the period in which the services are supplied and any unbilled revenue is accrued at each period end.

(e) Related parties

The company, as a wholly owned subsidiary undertaking of Telecom Plus PLC, has taken advantage of an exemption contained in FRS 101 in preparing its financial statements. This exemption allows the company not to disclose details of transactions with other group companies or investees of the group qualifying as related parties, as the consolidated financial statements of Telecom Plus PLC, in which the company is included, are publicly available.

2 TURNOVER

Turnover is wholly attributable to the principal activity of the Company and arises solely within the United Kingdom.

3 DIRECTORS AND EMPLOYEES

Directors' emoluments

	Year ended 31 March 2016 £'000	16 month period ended 31 March 2015 £'000
Salaries, fees and other benefits	409	421
Pension contributions	38	39
	447	460

The directors of the Company are paid by the parent company, Telecom Plus PLC. The amounts included in the table above represent the allocation of directors' emoluments to the Company. The Company has no other employees.

4 OPERATING PROFIT

Operating profit is stated after charging:

	Year ended 31 March 2016 £'000	16 month period ended 31 March 2015 £'000
Auditor's remuneration – audit of the financial statements	12	12

Fees paid to the Company's auditor for non-audit services are disclosed in the financial statements of the parent company, Telecom Plus PLC.

5 TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 31 March 2016 £'000	16 month period ended 31 March 2015 £'000
The tax charge comprises:		
UK corporation tax at 20% (2015: 22.58%)	793	3,476
Adjustments to tax charge in respect of prior years	(167)	
Total tax charge for the year	626	3,476
Factors affecting the tax charge for the year		
Profit on ordinary activities before tax	3,964	15,393
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015: 22.58%)	793	3,476
Adjustments to tax charge in respect of prior years	(167)	
	626	3,476

Factors which may affect future tax charges

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. This will reduce the Company's future current tax charge accordingly.

6 DEBTORS

	2016 £'000	2015 £'000
Trade debtors	2,992	4,042
Amounts owed by group undertakings	9,508	24,407
Prepayments and accrued income	50,474	55,873
	62,974	84,322

7 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £'000	2015 £'000
Trade creditors	2,102	1,968
Social security and other taxes	1,350	114
Corporation tax	-	497
Accruals and deferred income	53,153	68,678
	56,605	71,257

8 CALLED UP SHARE CAPITAL

	2016 £	2015 £
Called up, allotted and fully paid		
1 ordinary share of £1 (2015: £1)	1	1

9 DIVIDENDS

	2016 £'000	2015 £'000
Dividends paid		
Interim dividend paid: £10,000,000 per £1 share	10,000	-
Final dividend paid: £1,378,000 per £1 share	-	1,378

10 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 101 extended to wholly-owned subsidiary undertakings whose voting rights are controlled within a group. Consequently no disclosure has been made regarding any transactions with other entities within the Telecom Plus PLC group.

11 ULTIMATE PARENT COMPANY AND CONTROLLING ENTITY

At 31 March 2016, the ultimate parent company and controlling entity was Telecom Plus PLC. Telecom Plus PLC is a company registered in England and Wales and incorporated in the UK. The financial statements of the ultimate parent company and controlling entity are available from the registered office, Network HQ, 508 Edgware Road, The Hyde, London NW9 5AB.

12 CONTINGENT LIABILITY

The Company has given a guarantee in respect of the Parent company's indebtedness to its bankers. At 31 March 2016, the parent company had borrowings comprising of bank loans of £71,241,000.

13 EXPLANATION OF TRANSITION TO FRS101

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, the comparative information presented in these financial statements for the year ended 31 March 2015 and in the preparation of an opening FRS 101 balance sheet at 1 December 2013 (the Company's date of transition).

In preparing its FRS 101 balance sheet, the Company has no adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP).