Registered number: 05949018

MAKE IT CHEAPER LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

MAKE IT CHEAPER LIMITED

COMPANY INFORMATION

DIRECTOR	J D Elliott
REGISTERED NUMBER	05949018
REGISTERED OFFICE	Aston House Cornwall Avenue London N3 1LF
TRADING ADDRESS	5th Floor Lloyds Chambers 1 Portsoken Street London E1 8BT
INDEPENDENT AUDITORS	Adler Shine LLP Chartered Accountants & Statutory Auditor Aston House Cornwall Avenue London N3 1LF

MAKE IT CHEAPER LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2017

INTRODUCTION

The principal activity of the group is to make it easy for SMEs to save money on utilities, insurance and telecommunication. Make it Cheaper Limited ("MIC") is a subsidiary of Make it Cheaper Group Limited ("MIC Group"), and is specifically involved in utilities and telecommunications business areas.

BUSINESS REVIEW

The Make it Cheaper Group ("MIC Group" or the "Group") provides a comparison, switching and intermediary services for over 40,000 SMEs in the UK.

Our purpose is to "Put a Smile on the Face of British Businesses" and we achieve this by being trusted to make switching and saving easy.

Having met our milestone to save customers £500m, the Company is now targeting savings of £1bn as its next goal.

Highlights of the year included:

- Revenues from continuing operations increased by 30%
- MIC Group is the stand-out No.1 in the SME Energy TPI (third party intermediary) sector, as rated by Cornwall Energy Research
- Consistently achieving a Customer Net Promoter Score of more than +65 compared to the highest reported NPS for a general utility providers of +15
- Launching a pioneering energy buying service (Do It For You) where customers authorise MIC to manage their energy contract renewals for them
- Implementing successful marketing campaigns to create an emotional connection with our audience: "Hey Boss" and "Smile"
- Winning new exclusive partnership arrangements with leading organisations like the Federation of Small Businesses
- Winning the TELCA 2016 Super Consultancy Award

Operating profit of £3,359,956 (2016: £1,620,543) showed a significant advance on the previous year as the business continues to grow strongly based on a pipeline of previous sales renewing with increased retention rates and continuing success at attracting new customers.

In SME Energy our "Do It For You" service is being taken up by over half our energy customers. Customers rate the service highly – benefitting from knowing their contracts will be managed for them. The Group's Gold Supplier scheme ensures a consistently high level of support from our key energy suppliers and competitive pricing.

The Major Business Energy team, which deals with larger energy users, experienced significant growth in the year based around a value-for-money proposition. The Company has a policy of disclosing to business energy customers the fees it earns from suppliers.

During the year we continued to support regulatory improvements in the energy sector by making recommendations to Ofgem and the CMA to ensure customers obtain a fair deal from all energy market participants.

The business continues to grow strongly in all product areas as the Company continues on its journey to realise significant savings for SMEs with excellent customer service from a trusted partner. Looking to the future, we believe that there is a growing need for trusted intermediaries and that strong market growth, particularly in the SME sector, will continue.

The Company continues to invest and develop our leadership team and this has resulted in strong commercial and operational performance. This year our people spent over 1200 days in a range of external training programmes. We continue to engage a wide group of staff in the future success of the business by issuing share options. Our internal staff engagement measure consistently places MIC among the ranks of the Best Companies to Work For scheme.

The Group is fortunate in having an Advisory Panel who work with the Executive Team on the strategic work streams: Loyalty, Multi-product, Omni-Channel and Proposition. The Panel comprises experienced business leaders with blue chip company experience, including a former FTSE100 CEO as well as experts in the fields of customer behaviour, marketing and technology.

PRINCIPAL RISKS AND UNCERTAINTIES

Key risks facing the business include competition, market and regulatory change, staff retention and information systems resilience. The Directors understand and regularly assess these risks.

Competition
The Company monitors competitor service offerings and pricing on a regular basis to ensure a market leading value for money proposition.

Regulatory Change
The Company actively communicates with market regulators about the factors that hold back many SMEs from switching and making savings.

Staff Retention
The Company spends significantly on training at all levels and in making MIC a fun place to work. eNPS scores are monitored closely.

Information Systems Resilience
The Company continually invests in its bespoke CRM and back office systems; is investing in moving more of it's core information systems architecture offsite and/or into the "Cloud" and reviews it's BCP on a regular basis.

FINANCIAL KEY PERFORMANCE INDICATORS

The Company measures and monitors, on a weekly and monthly basis, a number of key performance indicators in identifying the progress being made towards achieving its strategic objectives. These include:

- Customer numbers
- Customer retention
- Products per customer
- Revenue: Yield within set maximum parameters
- Productivity
- EBITDA
- Operating cash flow
- Savings per customer
- Customer NPS
- Supply Meter Live rate
- Employee NPS

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

This report was approved by the board on 19 June 2017 and signed on its behalf.

J D Elliott
Director

DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2017

The director presents his report and the financial statements for the year ended 31 March 2017.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £2,771,011 *(2016 - £1,496,555)*.

Dividends declared in the year were £800,000 (2016 - £3,190,000).

DIRECTOR

The director who served during the year was:

J D Elliott

FUTURE DEVELOPMENTS

The Company is set for significant further growth over the coming year based on an increased take-up of recently launched products and services and its strong renewals pipeline, with a majority of customers trusting Make It Cheaper to achieve continuous savings for them.

DISCLOSURE OF INFORMATION TO AUDITORS

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he 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 auditors are aware of that information.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

AUDITORS

The auditors, Adler Shine LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 19 June 2017 and signed on its behalf.

J D Elliott
Director

DIRECTOR'S RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

The director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that he gives 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 director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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 AUDITORS' REPORT TO THE SHAREHOLDERS OF MAKE IT CHEAPER LIMITED

We have audited the financial statements of Make It Cheaper Limited for the year ended 31 March 2017, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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 AUDITORS

As explained more fully in the Director's responsibilities statement on page 5, the director is 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 Financial Reporting Council's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Director's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MAKE IT CHEAPER LIMITED (CONTINUED)

OPINION ON OTHER MATTER 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 Director's report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Director's report.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Adler Shine LLP

Christopher Taylor (Senior statutory auditor)

for and on behalf of
Adler Shine LLP

Chartered Accountants
Statutory Auditor

Aston House
Cornwall Avenue
London
N3 1LF

20 June 2017

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	*2016* *£*
Turnover	4	**16,333,022**	*12,547,210*
Cost of sales		**(7,091,745)**	*(6,372,803)*
GROSS PROFIT		**9,241,277**	*6,174,407*
Administrative expenses		**(6,343,875)**	*(4,553,864)*
Other operating income	5	**462,554**	*-*
OPERATING PROFIT	6	**3,359,956**	*1,620,543*
Interest receivable and similar income	9	**297**	*3,693*
Interest payable and expenses	10	**(60,761)**	*(73,449)*
PROFIT BEFORE TAX		**3,299,492**	*1,550,787*
Tax on profit	11	**(528,481)**	*(54,232)*
PROFIT FOR THE FINANCIAL YEAR		**2,771,011**	*1,496,555*
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**2,771,011**	*1,496,555*

MAKE IT CHEAPER LIMITED
REGISTERED NUMBER:05949018

BALANCE SHEET
AS AT 31 MARCH 2017

	Note		2017 £		2016 £
FIXED ASSETS					
Intangible assets	13		**945,432**		*591,903*
Tangible assets	14		**186,779**		*159,902*
Investments	15		**983,513**		*983,513*
			2,115,724		*1,735,318*
CURRENT ASSETS					
Debtors	16	**8,746,400**		*7,429,266*	
Cash at bank and in hand	17	**612,116**		*900,845*	
		9,358,516		*8,330,111*	
Creditors: amounts falling due within one year	18	**(8,407,935)**		*(9,088,659)*	
NET CURRENT ASSETS/(LIABILITIES)			**950,581**		*(758,548)*
TOTAL ASSETS LESS CURRENT LIABILITIES			**3,066,305**		*976,770*
Creditors: amounts falling due after more than one year	19		**-**		*(64,000)*
NET ASSETS			**3,066,305**		*912,770*
CAPITAL AND RESERVES					
Called up share capital	22		**100**		*100*
Other reserves	23		**404,913**		*238,967*
Profit and loss account	23		**2,661,292**		*673,703*
			3,066,305		*912,770*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 June 2017.

J D Elliott
Director
The notes on pages 11 to 28 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2016	100	238,967	673,703	912,770
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	2,771,011	2,771,011
Movement on other reserves	-	182,524	-	182,524
Dividends: Equity capital	-	-	(800,000)	(800,000)
Transfer to/from profit and loss account	-	-	16,578	16,578
Transfer between other reserves	-	(16,578)	-	(16,578)
TOTAL TRANSACTIONS WITH OWNERS	-	(16,578)	(783,422)	(800,000)
AT 31 MARCH 2017	100	404,913	2,661,292	3,066,305

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2015	100	222,306	2,304,799	2,527,205
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	1,496,555	1,496,555
Movement on other reserves	-	79,010	-	79,010
Dividends: Equity capital	-	-	(3,190,000)	(3,190,000)
Transfer to/from profit and loss account	-	-	62,349	62,349
Transfer between other reserves	-	(62,349)	-	(62,349)
TOTAL TRANSACTIONS WITH OWNERS	-	(62,349)	(3,127,651)	(3,190,000)
AT 31 MARCH 2016	100	238,967	673,703	912,770

The notes on pages 11 to 28 form part of these financial statements.

1. GENERAL INFORMATION

Make It Cheaper Limited ('the Company') is a private Company limited by shares and is incorporated and domiciled in England. The address of its registered office is Aston House, Cornwall Avenue, London, N3 1LF.

The principal activity of the company is to make it easy for SMEs to save money on utilities and telecommunications.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Make it Cheaper Group Limited as at 31 March 2017 and these financial statements may be obtained from Aston House, Cornwall Avenue, London N3 1LF.

2.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Turnover represents commissions earned and is recognised at the point at which a customer applies for a new supply contract. Commissions are calculated based on expected energy use by the business customer at agreed commission rates with the energy suppliers. At point of sale, provision is made for (i) possible variations between expected consumption and that used by suppliers for commission payment purposes where these differ, and (ii) contracts that may fail to go 'Live' with suppliers.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software development	-	4	years
Trademarks	-	4	years

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

L/Term Leasehold Property	-	25% Straight line
Fixtures & fittings	-	25% Straight line
Office equipment	-	25% Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2. ACCOUNTING POLICIES (CONTINUED)

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2. ACCOUNTING POLICIES (CONTINUED)

2.13 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of comprehensive income is charged with fair value of goods and services received.

2.14 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.16 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.17 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2. ACCOUNTING POLICIES (CONTINUED)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.20 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) Revenue recognition
Business energy procurement revenue is recorded at the fair value of the service provided, which is calculated using expected energy use of the business customer at agreed commission rates with the energy provider.

The directors believe, based on monitoring past performance, that they can reliably measure commission income by including in the calculation of revenue fair value a provision for the variability that may arise between the initial consumption estimate and that used by suppliers to pay commission over the course of the contract, where these differ. Where supplier agreements do not have fixed commission terms, this consumption provision is typically set at c. 10% to 15% and is reviewed on an ongoing basis to ensure it remains appropriate. The assessment of the variability is based on comparing actual to expected commission receipts on current and recently completed contracts. Should the assumptions on which business energy commission revenue is calculated vary by more or less than the level of provisioning, then there may be a material impact on reported revenues and profit.

(b) Share based payments
The Group has an equity-settled share based remuneration scheme for employees. Employee services received, and the corresponding increase in equity, are measured by reference to the fair value of the equity instruments (shares) at the date of grant. The fair value of share options is estimated by using the Black-Scholes valuation model on the date of grant based on certain assumptions. Those assumptions are described in note 24 and include, among others, expected volatility, expected life of the options and number of options expected to vest.

(c) Property, plant and equipment
Property, plant and equipment are depreciated over the useful lives of the assets. Useful lives are based on management's estimates of the period that the assets will generate revenue, which are reviewed annually for continued appropriateness. The carrying values are tested for impairment when there is an indication that the value of the assets might be impaired. When carrying out impairment tests these would be based upon future cash flow forecasts and these forecasts would be based upon management's judgement. Future events could cause the assumptions to change; therefore, this could have an adverse effect on the future results of the Group.

4. TURNOVER

An analysis of turnover by class of business is as follows:

	2017	*2016*
	£	*£*
Turnover	**16,333,022**	*12,547,210*
	16,333,022	*12,547,210*

All turnover arose within the United Kingdom.

5. OTHER OPERATING INCOME

	2017 £	*2016* *£*
Management fees receivable	**462,554**	-
	462,554	-

6. OPERATING PROFIT

The operating profit is stated after charging:

	2017 £	*2016* *£*
Depreciation of tangible fixed assets	**83,478**	*81,489*
Amortisation of intangible assets, including goodwill	**242,191**	*101,750*
Defined contribution pension cost	**71,077**	*99,850*

7. AUDITORS' REMUNERATION

	2017 £	*2016* *£*
Fees payable to the Company's auditor	**51,814**	*54,403*
FEES PAYABLE TO THE COMPANY'S AUDITOR IN RESPECT OF:		
The auditing of accounts of the Company pursuant to legislation	**20,000**	*19,000*
Non audit services	**31,814**	*35,403*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

8. EMPLOYEES

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	5,968,508	4,835,231
Social security costs	731,333	619,917
Cost of defined contribution scheme	71,077	99,850
	6,770,918	5,554,998

The average monthly number of employees, including the director, during the year was as follows:

	2017 No.	2016 No.
Management	8	3
Sales	118	86
Finance	6	6
Marketing	15	16
Human resources	6	6
Operations	35	39
Information technology	16	12
	204	168

9. INTEREST RECEIVABLE

	2017 £	2016 £
Other interest receivable	297	3,693
	297	3,693

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £	2016 £
Bank interest payable	60,761	73,449
	60,761	73,449

11. TAXATION

	2017 £	*2016* *£*
CORPORATION TAX		
Current tax on profits for the year	**507,439**	*135,988*
Adjustments in respect of previous periods	**-**	*(82,442)*
DEFERRED TAX		
Origination and reversal of timing differences	**21,042**	*686*
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	**528,481**	*54,232*

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than *(2016 - lower than)* the standard rate of corporation tax in the UK of 20% *(2016 - 20%)*. The differences are explained below:

	2017 £	*2016* *£*
Profit on ordinary activities before tax	**3,299,492**	*1,550,787*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	**659,898**	*310,157*
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**51,962**	*22,570*
Capital allowances for year in excess of depreciation	**12,339**	*(28,292)*
Adjustments to tax charge in respect of prior periods	**-**	*(82,442)*
Short term timing difference leading to an increase (decrease) in taxation	**21,042**	*687*
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	**(216,290)**	*(147,846)*
Other differences leading to a decrease in the tax charge	**-**	*(20,153)*
Group relief	**(470)**	*(449)*
TOTAL TAX CHARGE FOR THE YEAR	**528,481**	*54,232*

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There are proposed revisions to the corporation tax main rate to lower it to 19% for financial years 2017 to 2019 and further to 18% for financial year 2020.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

12. DIVIDENDS

	2017 £	*2016* *£*
Dividends on equity capital	800,000	*3,190,000*
	800,000	*3,190,000*

13. INTANGIBLE ASSETS

	Software £	Trademarks £	Total £
COST			
At 1 April 2016	733,917	5,445	739,362
Additions	588,665	-	588,665
At 31 March 2017	1,322,582	5,445	1,328,027
AMORTISATION			
At 1 April 2016	147,119	340	147,459
Charge for the year	233,774	1,361	235,135
At 31 March 2017	380,893	1,701	382,594
NET BOOK VALUE			
At 31 March 2017	941,689	3,744	945,433
At 31 March 2016	*586,799*	*5,105*	*591,904*

14. TANGIBLE FIXED ASSETS

	S/Term Leasehold Property £	Fixtures & fittings £	Office equipment £	Total £
COST OR VALUATION				
At 1 April 2016	**279,591**	**83,344**	**449,212**	**812,147**
Additions	**-**	**5,470**	**104,887**	**110,357**
At 31 March 2017	**279,591**	**88,814**	**554,099**	**922,504**
DEPRECIATION				
At 1 April 2016	**187,792**	**72,035**	**392,419**	**652,246**
Charge for the year on owned assets	**43,918**	**6,066**	**33,495**	**83,479**
At 31 March 2017	**231,710**	**78,101**	**425,914**	**735,725**
NET BOOK VALUE				
At 31 March 2017	**47,881**	**10,713**	**128,185**	**186,779**
At 31 March 2016	*91,799*	*11,309*	*56,794*	*159,902*

The net book value of land and buildings may be further analysed as follows:

	2017 £	*2016 £*
Short leasehold	**47,881**	*91,799*
	47,881	*91,799*

15. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST OR VALUATION	
At 1 April 2016	**983,513**
At 31 March 2017	**983,513**
NET BOOK VALUE	
At 31 March 2017	**983,513**
At 31 March 2016	*983,513*

15. FIXED ASSET INVESTMENTS (CONTINUED)

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
UK Power Limited	Ordinary	100 %	Online price comparison site for enery suppliers

The aggregate of the share capital and reserves as at 31 March 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit £
UK Power Limited	**3,097,220**	**800,336**
	3,097,220	**800,336**

16. DEBTORS

	2017 £	*2016 £*
DUE AFTER MORE THAN ONE YEAR		
Prepayments and accrued income	**2,150,365**	*1,603,000*
	2,150,365	*1,603,000*
DUE WITHIN ONE YEAR		
Trade debtors	**694,937**	*691,833*
Amounts owed by group undertakings	**42,439**	*43,817*
Other debtors	**165,567**	*53,260*
Prepayments and accrued income	**5,666,341**	*4,989,563*
Deferred taxation	**26,751**	*47,793*
	8,746,400	*7,429,266*

17. CASH AND CASH EQUIVALENTS

	2017 £	*2016* *£*
Cash at bank and in hand	**612,116**	*900,845*
	612,116	*900,845*

18. CREDITORS: Amounts falling due within one year

	2017 £	*2016* *£*
Bank loans	-	*400,000*
Trade creditors	**578,339**	*292,788*
Amounts owed to group undertakings	**4,232,887**	*2,740,076*
Corporation tax	**642,389**	*204,968*
Other taxation and social security	**839,621**	*672,851*
Other creditors	**414,176**	*3,078,629*
Accruals and deferred income	**1,700,523**	*1,699,348*
	8,407,935	*9,088,660*

19. CREDITORS: Amounts falling due after more than one year

	2017 £	*2016* *£*
Other creditors	-	*64,000*
	-	*64,000*

20. FINANCIAL INSTRUMENTS

	2017 £	2016 £
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	**612,116**	*900,845*
Financial assets that are debt instruments measured at amortised cost	**8,556,279**	*7,224,159*
	9,168,395	*8,125,004*
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	**(6,391,383)**	*(6,081,536)*
	(6,391,383)	*(6,081,536)*

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand.

Financial assets measured at amortised cost comprise of trade debtors, amounts due from group undertakings, staff loans and accrued revenue.

Financial liabilities measured at amortised cost comprise of trade creditors, amounts due to group undertakings, other creditors and accruals.

21. DEFERRED TAXATION

	2017 £	2016 £
At beginning of year	**47,793**	*48,480*
Charged to profit or loss	**(21,042)**	*(687)*
AT END OF YEAR	**26,751**	*47,793*

The deferred tax asset is made up as follows:

	2017 £	2016 £
Share based payments	**26,751**	*47,793*
	26,751	*47,793*

22. SHARE CAPITAL

	2017 £	*2016 £*
Shares classified as equity		
Authorised, allotted, called up and fully paid		
100 Ordinary shares of £1 each shares of £1 each	**100**	*100*

23. RESERVES

Other reserves

'Other reserves' have arisen from the share based payment charge. The shares over which the options were issued are that of the parent company, Make it Cheaper Group Limited. However, the services provided by the employees are within the subsidiary, Make it Cheaper Limited. Therefore, the charge is recognised in the profit and loss account and treated as a capital contribution from the parent entity within equity.

Profit & loss account

"Profit and loss account" represents retained profits and losses.

24. SHARE BASED PAYMENTS

Movements in the number of options outstanding and their weighted average exercise prices are as follows:

	Weighted average exercise price (pence) 2017	**Number 2017**	*Weighted average exercise price (pence) 2016*	*Number 2016*
Outstanding at the beginning of the year	**9.56**	**121,667**	*7.19*	*94,171*
Granted during the year	**22.12**	**24,336**	*11.58*	*49,274*
Prior year adjustment year	-	-	*2.18*	*(19,450)*
Expired during the year	**16.87**	**(8,486)**	*17.97*	*(2,328)*
OUTSTANDING AT THE END OF THE YEAR	**11.30**	**137,517**	*9.56*	*121,667*

The weighted average remaining contractual life of the options is 6.8 years (2016: 7.4 years).

24. SHARE BASED PAYMENTS (CONTINUED)

The following options over ordinary shares have been granted by the Company:

	Exercise price £	Exercise period (years)	Number of options
19 May 2011 (a)	**2.83**	**10**	**61,676**
19 May 2011 (b)	**1.89**	**10**	**14,588**
25 March 2013	**14.62**	**10**	**19,417**
25 June 2014	**16.13**	**10**	**25,234**
10 August 2015	**19.49**	**10**	**42,991**
25 September 2015	**0.001**	**10**	**20,001**
15 July 2016	**25.52**	**10**	**10,618**

At the date of grant, the options were valued using the Black-Scholes option pricing model. The fair value per options granted and the assumptions used in the calculations were as follows:

	19 May 2011 (a)	19 May 2011 (b)	25 Mar 2013	25 Jun 2014	10 Aug 2015	25 Sep 2015	15 Jul 2016
Expected volatility	**50%**	**50%**	**50%**	**50%**	**50%**	**50%**	**57%**
Expected life (years)	**4**	**4**	**4**	**2**	**2.5**	**2.5**	**3**
Risk-free interest rate	**0.54%**	**0.54%**	**0.67%**	**1.97%**	**0.97%**	**0.78%**	**0.23%**
Expected dividend yield	-	-	-	-	-	-	-
Non-market based vesting conditions	**20%**	**20%**	**20%**	**20%**	**20%**	**20%**	**20%**
Fair value per option (£)	**3.31**	**3.90**	**5.72**	**4.68**	**6.15**	**0.0003**	**17.96**

The charge in the profit and loss for the share based payments during the year was £182,524 (2016: £79,010). The deferred tax liability arising on this for the same period was £21,042 (2016: £687).

25. CONTINGENT LIABILITIES

The company has entered into an agreement whereby an amount of between £Nil and £500,000 will be payable to a third party depending on the value realised on any sale or listing of the group which occurs prior to 1 October 2018.

26. CAPITAL COMMITMENTS

As at the year end the company had a capital commitment of £210,000 payable to an IT development partner up to October 2017.

27. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £71,077 (2016: £99,850).

Included within other creditors is an amount of £11,581 (2016: £22,860) relating to outstanding pension liability.

28. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017	*2016*
	£	*£*
Not later than 1 year	**185,508**	*185,508*
Later than 1 year and not later than 5 years	**46,377**	*231,885*
	231,885	*417,393*

29. RELATED PARTY TRANSACTIONS

Included within other debtors at the balance sheet date is an amount of £Nil (2016: £7,968) owed by Tecam Limited, against which a provision has been made in full. The directors, J D Elliott and C W Cole are directors and shareholders of Tecam Limited.

C W Cole is considered to be key management through his directorship in Make It Cheaper Group Limited. Included within other debtors is an amount of £71,682 due from the C W Cole (2016: £780,752 due to C W Cole).

Included within other debtors is an amount of £65,418 due from the director J D Elliott (2016: £1,007,024 due to the director J D Elliott).

The Company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

30. CONTROLLING PARTY

The company is a wholly owned subsidiary of Make It Cheaper Group Limited. The ultimate controlling party is the director J D Elliott by virtue of his majority shareholding in Make It Cheaper Group Limited.

The group consolidated account can be inspected at the registered office address of Make It Cheaper Group Limited being Aston House, Cornwall Avenue, London N3 1LF.