

Avro Energy Limited

Annual Report and Financial Statements
for the Period from 1 January 2018 to 30 June 2019

Avro Energy Limited

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Avro Energy Limited

Company Information

Directors	Mr J A Brown Mr P A Brown
Registered office	8 The Courtyard Goldsmith Way Eliot Business Park Nuneaton Warwickshire CV10 7RJ
Auditors	Baldwins Audit Services 6th Floor Bank House Cherry Street Birmingham B2 5AL

Avro Energy Limited

Strategic Report for the Period from 1 January 2018 to 30 June 2019

The directors present their strategic report for the period from 1 January 2018 to 30 June 2019.

Principal activity

The principal activity of the company is supply of electricity and gas to domestic customers in the United Kingdom. Avro Energy aims to provide as many households as possible with a low cost alternative to traditional energy suppliers whilst maintaining a superior customer service record. The company has therefore prioritised investing in growth and service.

Fair review of the business

The company enjoyed another successful period, during which time it achieved 144% growth in its customer base to 590,961 meter points (2017 – 242,668). The company during this period continued to score highly in customer feedback including a 9.3 Trustpilot rating and being awarded uSwitch Best Value for Money Winner 2019.

Across the period, revenue increased to £389.7 million (2017 - £79.7 million) whilst the company suffered operating losses. The losses were expected as part of the directors' long term strategy. Investment has continued in technology to drive efficiency and further delivery of lower operating costs whilst continuing to grow the customer base. Consistent competitive pricing and service has also helped the company record one of the lowest churn rates in the industry.

Principal risks and uncertainties

The company faces a number of risks and uncertainties. The directors believe the key risks are in respect of competition, wholesale market prices and bad debt. The directors assess and manage these risks in line with the business strategy.

Competition

The company operates in highly competitive environments in the UK. The directors believe that the company is in a strong position due to its operating efficiency.

Wholesale Market Prices

The company operates a hedging strategy to mitigate the risk of wholesale market movements working with a number of counter parties across a range of long and short – term products. Daily adjustments are made to correct the wholesale position for variances in demand. The strategy is regularly reviewed to ensure it is still performing in line with the aims of the company and the general market trend.

Key Performance Indicators (KPIs)

The management team responsible for the operation of the business uses a number of financial and non-financial KPIs in order to manage and develop the business to achieve the company's strategic objectives. The company's KPIs include revenue, number of supplied meter points and customer service and are discussed above.

Future Developments

The company's directors expect growth to be continued over the next year and a return to profitability. The start of the company's smart meter rollout will help the develop and offer more varied energy services in the coming years.

Avro Energy Limited

Strategic Report for the Period from 1 January 2018 to 30 June 2019

Approved by the Board on 30 June 2020 and signed on its behalf by:

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Mr J A Brown
Director

Avro Energy Limited

Directors' Report for the Period from 1 January 2018 to 30 June 2019

The directors present their report and the financial statements for the period from 1 January 2018 to 30 June 2019.

Directors of the company

The directors who held office during the period were as follows:

Mr J A Brown

Mr P A Brown (appointed 16 March 2018)

Going concern

At 30 June 2019, the Company's current liabilities exceeded its net current asset position by £27,488,901, its total liabilities exceed its total assets by £27,421,381 and the company made losses in the period to 30 June 2019 of £28,023,009. Despite this, the Company generated cash from its operating activities of £4,795,437. The directors have prepared budgets and cash flow forecasts, showcasing the Company's ability to trade for the foreseeable future, meeting its liabilities as they fall due, and therefore they continue to adopt the going concern basis in preparing the financial statements.

Important events after the financial period

The directors transferred their share holdings to Avro Group Limited on 13 August 2019.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Disclosure in Strategic Report

The Company has chosen, in accordance with section 414C(11) of the Companies Act 2006 (as amended), (Strategic Report and Directors' Report) Regulations 2013, to set out in the Company's Strategic report the following information required by schedule 7 of the large and medium sized Companies and Groups (Accounts and Reports) Regulations 2008: Future Developments.

Reappointment of auditors

The auditors Baldwins Audit Services, will be proposed for reappointment in accordance with section 485 of the companies act.

Approved by the Board on 30 June 2020 and signed on its behalf by:

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Mr J A Brown
Director

Avro Energy Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements 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.

Avro Energy Limited

Independent Auditors' Report to the Members of Avro Energy Limited

Opinion

We have audited the financial statements of Avro Energy Limited (the 'company') for the 18 month period ended 30 June 2019 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 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 Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 Auditors' 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.

Avro Energy Limited

Independent Auditors' Report to the Members of Avro Energy Limited

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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 Directors' Report.

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

- adequate accounting records have not been kept, 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

Auditors' 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 auditors' 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditors' report.

Other matter

In the previous accounting period the directors of the company took advantage of audit exemption under s477 of the Companies Act 2006. Therefore the prior period financial statements were not subject to audit.

Use of our report

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.

Avro Energy Limited

Independent Auditors' Report to the Members of Avro Energy Limited

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Laura Hinsley FCCA (Senior Statutory Auditor)

For and on behalf of Baldwins Audit Services

6th Floor

Bank House

Cherry Street

Birmingham

B2 5AL

30 June 2020

Avro Energy Limited

Statement of Income and Retained Earnings for the Period from 1 January 2018 to 30 June 2019

		2019	(Unaudited) 2017
	Note	£	£
Turnover	<u>3</u>	389,666,591	79,679,956
Cost of sales		<u>(389,383,823)</u>	<u>(76,421,560)</u>
Gross profit		282,768	3,258,396
Administrative expenses		<u>(28,354,783)</u>	<u>(3,014,243)</u>
Operating (loss)/profit	<u>4</u>	<u>(28,072,015)</u>	<u>244,153</u>
Other interest receivable and similar income		5,859	7,531
Interest payable and similar charges		<u>(2,655)</u>	<u>(1,908)</u>
		<u>3,204</u>	<u>5,623</u>
(Loss)/profit before tax		(28,068,811)	249,776
Taxation	<u>7</u>	<u>45,802</u>	<u>(45,802)</u>
(Loss)/profit for the financial period		(28,023,009)	203,974
Retained earnings brought forward		<u>601,528</u>	<u>397,554</u>
Retained earnings carried forward		<u><u>(27,421,481)</u></u>	<u><u>601,528</u></u>

There were no other items of comprehensive income (2017: None)

Avro Energy Limited

(Registration number: 09174794)

Statement of Financial Position as at 30 June 2019

	Note	2019 £	(Unaudited) 2017 £
Fixed assets			
Tangible assets	<u>8</u>	67,520	29,220
Current assets			
Debtors	<u>9</u>	52,315,363	25,702,477
Cash at bank and in hand		<u>18,510,024</u>	<u>13,772,180</u>
		70,825,387	39,474,657
Creditors: Amounts falling due within one year	<u>11</u>	<u>(98,314,288)</u>	<u>(38,902,249)</u>
Net current (liabilities)/assets		<u>(27,488,901)</u>	<u>572,408</u>
Net (liabilities)/assets		<u>(27,421,381)</u>	<u>601,628</u>
Capital and reserves			
Called up share capital	<u>13</u>	100	100
Profit and loss account		<u>(27,421,481)</u>	<u>601,528</u>
Total equity		<u>(27,421,381)</u>	<u>601,628</u>

Approved and authorised by the Board on 30 June 2020 and signed on its behalf by:

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Mr J A Brown
Director

Avro Energy Limited

Statement of Cash Flows for the Period from 1 January 2018 to 30 June 2019

	Note	2019 £	(Unaudited) 2017 £
Cash flows from operating activities			
(Loss)/profit for the period		(28,023,009)	203,974
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>4</u>	22,497	6,496
Finance income		(5,859)	(7,531)
Finance costs		2,655	1,908
Income tax expense	<u>7</u>	(45,802)	45,802
		(28,049,518)	250,649
Working capital adjustments			
Increase in trade debtors	<u>9</u>	(26,612,886)	(20,112,411)
Increase in trade creditors	<u>11</u>	59,412,039	31,121,534
Cash generated from operations		4,749,635	11,259,772
Income taxes received/(paid)	<u>7</u>	45,802	(45,802)
Net cash flow from operating activities		4,795,437	11,213,970
Cash flows from investing activities			
Interest received		5,859	7,531
Acquisitions of tangible assets		(60,797)	(19,587)
Net cash flows from investing activities		(54,938)	(12,056)
Cash flows from financing activities			
Interest paid		(2,655)	(1,908)
Net increase in cash and cash equivalents		4,737,844	11,200,006
Cash and cash equivalents opening		13,772,180	2,572,174
Cash and cash equivalents closing		<u>18,510,024</u>	<u>13,772,180</u>

Avro Energy Limited

Notes to the Financial Statements for the Period from 1 January 2018 to 30 June 2019

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

8 The Courtyard
Goldsmith Way
Eliot Business Park
Nuneaton
Warwickshire
CV10 7RJ

The principal place of business is:

Wheatfield House
Wheatfield Way
Hinckley
LE10 1YG

These financial statements were authorised for issue by the Board on 30 June 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value. The financial statements are prepared in Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements are drawn up for a period of 18 months (2017: 12 Months).

Going concern

At 30 June 2019, the Company's current liabilities exceeded its net current asset position by £27,488,901, its total liabilities exceed its total assets by £27,421,381 and the company made losses in the period to 30 June 2019 of £28,023,009. Despite this, the Company generated cash from its operating activities of £4,795,437. The directors have prepared budgets and cash flow forecasts, showcasing the Company's ability to trade for the foreseeable future, meeting its liabilities as they fall due, and therefore they continue to adopt the going concern basis in preparing the financial statements.

Events after the financial period

The directors transferred their share holdings to Avro Group Limited on 13 August 2019.

Avro Energy Limited

Notes to the Financial Statements for the Period from 1 January 2018 to 30 June 2019

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Revenue is generated from the sale of gas and electricity to customers. Revenue generated is recognised as energy is supplied to the customer, this reflects the value of the volume supplied which includes an estimated value of the volume supplied to customers between the last meter reading and the end of the period. This is based on historic meter reading and industry consumption data.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures & Fittings	25% reducing balance
Computer equipment	straight line over 3 years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Avro Energy Limited

Notes to the Financial Statements for the Period from 1 January 2018 to 30 June 2019

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

The company has chosen to adopt section 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial Assets

Basic financial assets, including trade and other debtors, cash and bank balances and intra-group balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at cost and amortised cost are assessed for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised costs, the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated cash flow discounted at the asset's original effective interest rate.

Avro Energy Limited

Notes to the Financial Statements for the Period from 1 January 2018 to 30 June 2019

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank overdraft, intra-group balances and hire purchase contracts, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Critical estimates and judgements

Revenue generated is recognised as energy is supplied to the customer, this reflects the value of the volume supplied which includes an estimated value of the volume supplied to customers between the last meter reading and the end of the period. This is based on historic meter reading and industry consumption date.

3 Revenue

The analysis of the company's revenue for the period from continuing operations is as follows:

	1 January 2018 to 30 June 2019	(Unaudited) Year ended 31 December 2017
	£	£
Sale of energy - UK	<u>389,666,591</u>	<u>79,679,956</u>

4 Operating loss

Arrived at after charging/(crediting)

	1 January 2018 to 30 June 2019	(Unaudited) Year ended 31 December 2017
	£	£
Depreciation expense	<u>22,497</u>	<u>6,496</u>

Avro Energy Limited

Notes to the Financial Statements for the Period from 1 January 2018 to 30 June 2019

5 Staff costs

The aggregate payroll costs were as follows:

	1 January 2018 to 30 June 2019	(Unaudited) Year ended 31 December 2017
	£	£
Wages and salaries	1,859,859	498,139
Social security costs	128,184	31,974
Pension costs, defined contribution scheme	28,048	-
Other employee expense	542	-
	<u>2,016,633</u>	<u>530,113</u>

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	2019	(Unaudited) 2017
	No.	No.
Administration and support	<u>66</u>	<u>39</u>

6 Auditors' remuneration

	1 January 2018 to 30 June 2019	(Unaudited) Year ended 31 December 2017
	£	£
Audit of the financial statements	<u>39,450</u>	<u>-</u>
Other fees to auditors		
Taxation advisory services	<u>6,000</u>	<u>-</u>

Avro Energy Limited

Notes to the Financial Statements for the Period from 1 January 2018 to 30 June 2019

7 Taxation

Tax charged/(credited) in the income statement

	1 January 2018 to 30 June 2019	(Unaudited) Year ended 31 December 2017
	£	£
Current taxation		
UK corporation tax	<u>(45,802)</u>	<u>45,802</u>

The tax on profit before tax for the period is the same as the standard rate of corporation tax in the UK (2017 - the same as the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

	1 January 2018 to 30 June 2019	(Unaudited) Year ended 31 December 2017
	£	£
(Loss)/profit before tax	<u>(28,068,811)</u>	<u>249,776</u>
Corporation tax at standard rate	(5,333,074)	48,082
Increase (decrease) from effect of different UK tax rates on some earnings	(590)	-
Effect of expense not deductible in determining taxable profit (tax loss)	1,815	241
Tax increase (decrease) from effect of capital allowances and depreciation	(7,277)	(2,521)
Tax increase (decrease) from effect of unrelieved tax losses carried forward	<u>5,293,324</u>	<u>-</u>
Total tax (credit)/charge	<u>(45,802)</u>	<u>45,802</u>

Deferred tax

There are £27,859,600 of unused tax losses (2017 - £Nil) for which no deferred tax asset is recognised in the Statement of Financial Position.

Avro Energy Limited

Notes to the Financial Statements for the Period from 1 January 2018 to 30 June 2019

8 Tangible assets

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 January 2018	38,928	38,928
Additions	60,797	60,797
At 30 June 2019	99,725	99,725
Depreciation		
At 1 January 2018	9,708	9,708
Charge for the period	22,497	22,497
At 30 June 2019	32,205	32,205
Carrying amount		
At 30 June 2019	67,520	67,520
At 31 December 2017	29,220	29,220

9 Debtors

	30 June 2019 £	(Unaudited) 31 December 2017 £
Trade debtors	16,681,288	3,198,296
Other debtors	8,363,835	2,730,415
Prepayments	5,787,811	7,698,067
Accrued income	21,482,429	12,075,699
Total current trade and other debtors	52,315,363	25,702,477

10 Cash and cash equivalents

	30 June 2019 £	(Unaudited) 31 December 2017 £
Cash at bank	18,510,024	13,772,180

Avro Energy Limited

Notes to the Financial Statements for the Period from 1 January 2018 to 30 June 2019

11 Creditors

	Note	30 June 2019 £	(Unaudited) 31 December 2017 £
Due within one year			
Trade creditors		16,541,896	14,295,832
Social security and other taxes		48,405	189,010
Other payables		28,900,558	5,264,510
Accrued expenses		6,880,195	-
Customer advance payments		45,943,234	19,152,897
		<u>98,314,288</u>	<u>38,902,249</u>

12 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £28,048 (2017 - £Nil). Contributions totalling £4,852 (2017 - £Nil) were payable to the scheme at the end of the period and are included in creditors.

13 Share capital

Allotted, called up and fully paid shares

	2019		(Unaudited) 2017	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

Rights, preferences and restrictions

Ordinary have the following rights, preferences and restrictions:

Right to vote

Avro Energy Limited

Notes to the Financial Statements for the Period from 1 January 2018 to 30 June 2019

14 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2019	(Unaudited) 2017
	£	£
Not later than one year	135,060	86,455

The amount of non-cancellable operating lease payments recognised as an expense during the period was £174,600 (2017 - £70,224).

15 Related party transactions

Summary of transactions with key management

Transactions with directors

	At 1 January 2018	Advances to directors	Repayments by director	At 30 June 2019
	£	£	£	£
2019				
Loans to directors	287,695	163,655	(287,694)	163,656

	At 1 January 2017	Advances to directors	Repayments by director	At 31 December 2017
	£	£	£	£
2017				
Loans to directors	71,835	356,277	(140,417)	287,695

These loans to the directors are charged at the commercial rate of interest of 2.5%, unsecured and repayable on demand.

Avro Energy Limited

Notes to the Financial Statements for the Period from 1 January 2018 to 30 June 2019

Summary of transactions with other related parties

Berkeley Swiss Ltd

(J & P Brown as common directors)

The company made the following loans to Berkeley Swiss Ltd during the period:

25/01/2018 £40,000

11/05/2018 £790,754

At the balance sheet date the amount due from Berkeley Swiss was £830,754.

These amounts are interest free, unsecured, and repayable on demand.

Avro Commercial Shipping Ltd

(J & P Brown as common directors)

The company made the following loans to Avro Commercial Shipping Ltd during the period:

29/01/2018 £350

At the balance sheet date the amount due from Avro Commercial Shipping Ltd was £350.

These amounts are interest free, unsecured, and repayable on demand.

Sentido Marketing Ltd

(J & P Brown as common directors)

The company made the following transactions with Sentido Marketing Ltd during the period:

Management charges £2,250,000

At the balance sheet date the amount due from Sentido Marketing Ltd was £40,000.

These amounts are interest free, unsecured, and repayable on demand.

Ultimate controlling party

The company is controlled by the Avro Group Limited after a change in group structure. Avro Group Limited was formed on 17 August 2016 and owns 100% of all called up share capital after the directors transferred their share holdings on 13 August 2019.

16 Post balance sheet events

On 11 March 2020, the World Health Organisation declared the outbreak of Covid-19 as a global pandemic, which has resulted in unprecedented economic consequences. The Directors have produced detailed cash flow forecasts, considering all reasonably foreseeable potential scenarios in relation to their income and costs.

Based on these cash flow forecasts the group can meet its liabilities as they would fall due for a period of at least 12 months from the end of June 2020 and the Directors have therefore concluded that the impact of Covid-19 does not create a material uncertainty and it is appropriate for the financial statements to be prepared on the going concern basis.

17 Transition to FRS 102

This is the first financial period that the company has presented its accounts under FRS 102, the date of transition to FRS 102 was 1st January 2018.

The previous financial statements for the year ended 31 December 2017 were prepared under FRS 102 (1A).

The transition to FRS 102 have resulted in no changes in company profits, equity or accounting policies compared to those previously reported under FRS 102 (1A).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.