

Registered number: 09263295

SO ENERGY TRADING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

FRIDAY



AA9T8APN

A15

30/07/2021

#208

COMPANIES HOUSE

So

SO ENERGY TRADING LIMITED

COMPANY INFORMATION

Directors	C Davies S R Oscroft
Registered number	09263295
Registered office	107 Power Road London England W4 5PY
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Victoria House 199 Avebury Boulevard Milton Keynes MK9 1AU
Bankers	Lloyds Commercial Bank 3rd Floor, 25 Gresham Street London EC2V 7HN United Kingdom.

SO ENERGY TRADING LIMITED

CONTENTS

	Page
Strategic report	1 - 5
Directors' report	6 - 7
Independent auditor's report	8 - 11
Statement of comprehensive income	12
Statement of financial position	13
Statement of changes in equity	14
Statement of cash flows	15
Analysis of net debt	16
Notes to the financial statements	17 - 31

SO ENERGY TRADING LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

Introduction

The Directors present their Strategic report for the year ended 31 March 2020.

Business review

The financial performance of the Company is summarised below:

	2020	2019
Turnover	202,121,058	81,081,893
Gross profit	18,121,496	2,703,822
Operating profit/(loss)	991,717	(3,647,590)
Gross profit margin	9.0 %	3.3 %

So Energy is a UK based award-winning renewable energy supplier. The Company's mission is to help customers achieve net zero by providing great value renewable energy solutions with simple, clear, outstanding service. The Directors are pleased with the progress made during the year and highlights include:

- Customer numbers have grown to approximately 186,000 (Mar-2020) from 124,000 (Mar-2019).
- During the year, the Company made an operating profit with the continued backdrop of a competitive market, highlighting the Company's ability to operate efficiently.
- So Energy continues to win awards for its customer service and enjoy high customer review ratings.
- Progress has been made in offering new products and services to customers, including the installation of Solar and Batteries to help customers produce and store their own green electricity to reduce their carbon footprint.

COVID-19

Since the start of the COVID-19 pandemic, So Energy's priority has been to provide continuation of service for its customers whilst ensuring the safety of our staff. As a result of our flexible technology based operating platform, the Company was able to move quickly and efficiently to fully remote working for all staff and still provide outstanding service. As such, our operations have been minimally impacted by COVID-19.

However, there will be a more significant impact on the financial results for FY21 from COVID-19 due to:

1. Additional non-commodity costs. This is a result of a significant increase in balancing and associated costs as grid operators incurred higher costs which was distributed amongst a smaller pool of demand due to COVID business shutdowns;
2. A decrease in the ability to develop certain sales channels, install smart meters and other products such as solar panels due to lockdown restrictions;
3. The impact on customers finances and their ability to pay has resulted in additional bad debt costs being recognised in FY21.

Nonetheless, So Energy's customer base continues to grow and the Directors are confident that the Company is well positioned with its efficient and low operating cost model alongside award winning levels of customer service, to be successful in the longer term once these shorter term issues abate.

SO ENERGY TRADING LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Principal risks and uncertainties*Competition*

The Company operates in a highly competitive industry. The Directors believe that the Company is well positioned to compete effectively given its strong level of customer service recognised by its outstanding Trustpilot rating and relevant industry awards and its efficient operating model.

The other key risks facing the Company include:

- Market risk in relation to commodity risk exposure
- Credit risk in relation to its customers and suppliers
- Liquidity risk

The other key risks facing the Company include the financial risks set out below.

Key performance indicators

The Directors and the management team use several financial and non-financial KPIs in order to effectively manage the business and deliver the Company's strategic objectives. These include the financial performance metrics outlined under the Business review as well as non-financial metrics such as customer numbers and the Company's customer satisfaction levels through its Trustpilot scores and reviews.

Streamlined Energy and Carbon Reporting Framework Regulations

So Energy are subject to the Streamlined Energy and Carbon Reporting Framework Regulations (SECR). As this is the Company's first year of SECR reporting, we are setting the base year as 1st April 2019 to 31st March 2020 in line with the accounting period of these accounts. The methodology used is the UK Government GHG conversion factors for Company reporting as set out by BEIS for 2020.

For Scope 1 emissions, So Energy's usage is zero as So Energy have no equipment or assets that generate emissions directly (as below our offices do not use natural gas and we have no company cars).

Scope 2 emissions are solely comprised of purchased electricity for So Energy's offices. So Energy has no natural gas usage at these offices.

Energy Usage**1st April 2019 to 31st March 2020**

Electricity – total Purchased electricity	116,338 kWh
---	-------------

Associated Green house gas emissions**Tonnes CO₂e****1st April 2019 to 31st March 2020**

Scope 1	0
Scope 2	27.1
Total Tonnes CO₂e	27.1

Calculated as 0.23313 KG CO₂e per kWh of purchased electricity.

SO ENERGY TRADING LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Intensity ratio

Tonnes of CO₂e per employee based on the average number employees during the year (132) – 0.21 tonnes of CO₂e per employee per annum

Energy efficiency actions

A key part of So Energy strategy is to help customers achieve net zero by supplying them with renewable energy (electricity) and providing new services such as solar panels and batteries that help reduce grid consumption. The Company also purchases its office electricity (where it has direct control of supply) from renewable suppliers.

Section 172 Statement of compliance with duty to promote the success of the Company

The Directors of So Energy Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the Strategy pursued and the decisions made during the year ended 31 March 2020 and subsequently.

In particular, our Business plan is designed to have a long-term beneficial impact on the Company and to contribute to its success in delivering:

- First and foremost, Best-in-class customer service to promote customer loyalty and attract new customers;
- A highly efficient operating model with scalable technology in order to deliver this service at the lowest possible cost; and
- The development of new products and services that help our customers reduce their carbon footprint

In preparing the Company's Business Plan and related strategic decisions, the Directors take into account the interests of our Stakeholders, including the Company's employees, suppliers, customers, industry regulators and the communities and environments we operate in.

Our employees are crucial to the delivery of our plan and we aim to be a responsible employer in our approach to the pay and benefits our employees receive. Moreover, the health, safety and well-being of our employees is one of our primary considerations in the way we do business.

Our plan was informed by engagement with our customers, enabling us to gain an understanding of their views and priorities and needs.

We also aim to act responsibly and fairly in how we engage with our suppliers; our credit providers; and our regulators; all of whom are integral to the successful delivery of our plan.

As the Board of Directors, our intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating with high standards of business conduct and governance.

The Company's intention is to consider and treat all stakeholders fairly and respectfully when taking decisions and determining the Strategy and developing Business Plans.

SO ENERGY TRADING LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Financial and risk management objective and policies

The main risks arising from the business financial instruments are market risk (mainly from commodity price risk), credit risk and liquidity risk. The way in which these risks are managed is summarised below:

Market risk

Commodity risk is the exposure that the Company has to price movements in the wholesale electricity and gas markets. The risk is mainly that the market price for commodities will fluctuate between the time that a tariff is set and the time at which the corresponding procurement cost is fixed; this may result in lower than expected margins or unprofitable sales. The Company is also exposed to volume risk in the form of uncertain consumption profiles arising from various factors including weather, economic climate and changes in energy consumption patterns.

The Company has an established Market Risk policy which is approved and reviewed by the Risk Committee. The Company manages commodity risk by entering into forward contracts for a variety of periods. The Company does not use derivative or other financial instruments for speculative purposes. The primary function of trading within the Company is to ensure that the customer portfolio is adequately hedged to minimise these risks.

Credit risk

Credit risk is the risk to So Energy that a customer or supplier fails to meet its contractual obligations. This arises mainly from So Energy's customer debts (customer credit risk) and from security deposits and prepayments to suppliers and distributors (supplier credit risk).

The Company manages its customer credit risk through its customer sign up process, the use of Direct Debits (very high penetration), monitoring of customer balances and usage and a dedicated Payments team and collection process for non-payment.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Two key risks to the Company's liquidity are: 1) Mark to Market risk and 2) Unusually cold weather.

1. Mark to Market is the potential for the Company to have to place margin calls against forward commodity contracts. Such payments could be required if the wholesale energy market fell below the price of the forward contract.
2. Unusually cold weather or other factors causing customer volumes to be much higher than anticipated could place pressure on the Company's working capital as larger payments due to suppliers could become due before customer tariffs and collections could be adjusted. In addition, additional collateral would be required to allow additional energy to be procured in a short timeframe, which would require both cash and guarantees to be available.

Mitigations:

Mark to market risk is mitigated through So Energy's wider wholesale trading arrangement. The Directors and management team use a combination of shorter term daily cashflow forecasts as well as longer term business planning using sensitivity forecasting analysis to manage liquidity risk. These models are based on the continual evaluation of financial and non-financial data and are refined as appropriate. The Directors and management team use these models to manage the Company's cash resources to ensure it has sufficient funds to meet all expected demands as they fall due.

SO ENERGY TRADING LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

This report was approved by the board on 28/7/2021 and signed on its behalf.

Simon Oscroft

S R Oscroft
Director

So

SO ENERGY TRADING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The Directors present their report and the financial statements for the year ended 31 March 2020.

Principal activity

The principal activity of So Energy Trading Limited is the supply of gas and electricity to domestic customers.

Results and dividends

The profit for the year, after taxation, amounted to £885,694 (2019: loss £3,771,397).

Directors

The Directors who served during the year were:

C Davies
S R Oscroft

Directors' Responsibilities Statement

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 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and 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 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;
- 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is 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.

SO ENERGY TRADING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Future developments

The Directors expect the business to continue grow quickly as the Company executes its mission to provide customers with great value renewable energy and a simple, clear and outstanding service. In addition, the Group is continuing to evaluate and invest in new products and services that offer customers opportunities to reduce their energy bills and have a positive impact on the environment.

Going concern

The directors have prepared trading and cashflow forecasts for the period to 31 March 2023 incorporating best case, base case and worst case. Those forecasts demonstrate that in all scenarios additional funding will be required in addition to the continuation of existing funding lines. Prior to this, the directors had already commenced a fund-raising process which, as at the time of the going-concern review, is drawing to a conclusion. The directors are therefore confident that this fund-raising process will provide the necessary funding on completion. On that basis, they have elected to prepare the financial statements on the basis that the company is a going concern and will be able to meet its obligations as they fall due for a minimum period of 12 months from the date of approval of these financial statements. Whilst the directors are confident of completion, the transaction has not yet completed and there is therefore a risk that it may not do so. This therefore constitutes a material uncertainty in relation to the adoption of the going concern basis of preparation.

Qualifying third party indemnity provisions

During the year and up to date of this report, the Company maintained liability insurance and third-party indemnification provisions for its Directors, under which the Company has agreed to indemnify the Directors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities as Directors of the Company.

Post balance sheet events

As set out in the Company Strategic report, the Company has been impacted by COVID-19.

Auditor

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

This report was approved by the board on 28/7/2021 and signed on its behalf.

Simon Oscroft

S R Oscroft
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SO ENERGY TRADING LIMITED

Opinion

We have audited the financial statements of So Energy Trading Limited (the 'Company') for the year ended 31 March 2020, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity 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 31 March 2020 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as COVID-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

COVID-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a Company associated with these particular events.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SO ENERGY TRADING LIMITED
(CONTINUED)**

Material uncertainty related to going concern

We draw attention to note 2.3 to the financial statements which indicates that there is a material uncertainty in relation to the availability of future funding for the company. In the absence of such funding, the company may not be able to meet all its obligations as they fall due over the 12 months following the date of approval of these financial statements, and therefore cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SO ENERGY TRADING LIMITED
(CONTINUED)**

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of Directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SO ENERGY TRADING LIMITED
(CONTINUED)**

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.



Christopher Frostwick MA ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes
Date: 28/7/2021

SO ENERGY TRADING LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
Turnover	4	202,121,058	81,081,893
Cost of sales		(183,999,562)	(78,378,071)
Gross profit		18,121,496	2,703,822
Administrative expenses		(17,129,779)	(6,351,412)
Operating profit/(loss)	5	991,717	(3,647,590)
Interest receivable and similar income	9	45,205	6,947
Interest payable and expenses	10	(151,228)	(130,754)
Profit/(loss) before tax		885,694	(3,771,397)
Tax on profit/(loss)	11	-	-
Profit/(loss) for the financial year		885,694	(3,771,397)

There were no recognised gains and losses for 2020 or 2019 other than those included in the Statement of comprehensive income.

There was no other comprehensive income for 2020 (2019: £Nil).

The notes on pages 17 to 31 form part of these financial statements.

SO ENERGY TRADING LIMITED
REGISTERED NUMBER:09263295

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	12	6,520,091	4,716,640
Tangible assets	13	359,000	51,478
		<u>6,879,091</u>	<u>4,768,118</u>
Current assets			
Debtors: amounts falling due within one year	14	29,182,231	17,174,895
Cash at bank and in hand	15	15,857,312	2,211,028
		<u>45,039,543</u>	<u>19,385,923</u>
Creditors: amounts falling due within one year	16	(57,113,453)	(29,534,554)
Net current liabilities		<u>(12,073,910)</u>	<u>(10,148,631)</u>
Total assets less current liabilities		<u>(5,194,819)</u>	<u>(5,380,513)</u>
Creditors: amounts falling due after more than one year	17	-	(700,000)
Net liabilities		<u>(5,194,819)</u>	<u>(6,080,513)</u>
Capital and reserves			
Called up share capital	18	1	1
Profit and loss account	19	(5,194,820)	(6,080,514)
		<u>(5,194,819)</u>	<u>(6,080,513)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28/7/2021

Simon Oscroft

S R Oscroft
 Director

The notes on pages 17 to 31 form part of these financial statements.

SO ENERGY TRADING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2019	1	(6,080,514)	(6,080,513)
Comprehensive income for the year			
Profit for the year	-	885,694	885,694
Total comprehensive income for the year	-	885,694	885,694
At 31 March 2020	1	(5,194,820)	(5,194,819)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2018	1	(2,309,117)	(2,309,116)
Comprehensive income for the year			
Loss for the year	-	(3,771,397)	(3,771,397)
Total comprehensive income for the year	-	(3,771,397)	(3,771,397)
At 31 March 2019	1	(6,080,514)	(6,080,513)

The notes on pages 17 to 31 form part of these financial statements.

SO ENERGY TRADING LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £	2019 £
Cash flows from operating activities		
Profit/(loss) for the financial year	885,694	(3,771,397)
Adjustments for:		
Amortisation of intangible assets	2,369,187	546,140
Depreciation of tangible assets	94,719	18,171
Loss on disposal of intangible assets	-	12,043
Interest payable	151,228	130,754
Interest receivable	(45,205)	(6,947)
(Increase) in debtors	(12,007,336)	(9,833,044)
Increase in creditors	26,909,810	17,161,138
(Decrease)/increase in amounts owed to group undertaking	(182,139)	200,010
Net cash generated from operating activities	18,175,958	4,456,868
 Purchase of intangible fixed assets	 (4,172,638)	 (3,814,863)
Purchase of tangible fixed assets	(402,241)	(37,729)
Interest received	45,205	6,947
Net cash used in investing activities	(4,529,674)	(3,845,645)
 Net increase in cash and cash equivalents	 13,646,284	 611,223
Cash and cash equivalents at beginning of year	2,211,028	1,599,805
Cash and cash equivalents at the end of year	15,857,312	2,211,028
 Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	15,857,312	2,211,028

The notes on pages 17 to 31 form part of these financial statements.

SO ENERGY TRADING LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2020**

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	2,211,028	13,646,284	15,857,312
	<u>2,211,028</u>	<u>13,646,284</u>	<u>15,857,312</u>

The notes on pages 17 to 31 form part of these financial statements.

SO ENERGY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General information

So Energy Trading Limited is a private company limited by shares & incorporated in England and Wales. Its registered head office is located at 107 Power Road, London, W4 5PY.

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 judgement in applying the Company'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 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of SO Energy Limited as at 31 March 2020 and these financial statements may be obtained from 107 Power Road, London, England, W4 5PY.

2.3 Going concern

The directors have prepared trading and cashflow forecasts for the period to 31 March 2023 incorporating best case, base case and worst case. Those forecasts demonstrate that in all scenarios additional funding will be required in addition to the continuation of existing funding lines. Prior to this, the directors had already commenced a fund-raising process which, as at the time of the going-concern review, is drawing to a conclusion. The directors are therefore confident that this fund-raising process will provide the necessary funding on completion. On that basis, they have elected to prepare the financial statements on the basis that the company is a going concern and will be able to meet its obligations as they fall due for a minimum period of 12 months from the date of approval of these financial statements. Whilst the directors are confident of completion, the transaction has not yet completed and there is therefore a risk that it may not do so. This therefore constitutes a material uncertainty in relation to the adoption of the going concern basis of preparation.

2.4 Revenue

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. Energy supply revenue is recognised on the basis of electricity and gas supplied during the period. This includes an estimate of the sales value of energy supplied to customers between the date of the last meter reading and the year end.

SO ENERGY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss 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.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.6 Interest income

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

2.7 Finance costs

Finance costs are charged to profit or loss 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.

2.8 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

SO ENERGY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.9 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in 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 reporting 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 Statement of financial position 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 reporting date.

SO ENERGY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)**2.11 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.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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 are as follows:

Customer acquisitions	-	3 years
Renewable Obligation Certificates	-	Over the length of the certificate

2.12 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.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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:

Fixtures and fittings	-	33% straight line
Computer equipment	-	33% straight line
Smart Meter	-	33% 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 Statement of comprehensive income.

2.13 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.

SO ENERGY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)**2.14 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.

2.15 Creditors

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

2.16 Financial instruments

The Company only enters into basic financial instrument 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 the 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.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

SO ENERGY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)**2.16 Financial instruments (continued)***Derivatives and hedging*

The Company uses commodity purchase contracts to hedge its exposures to fluctuations in gas and electricity commodity prices. When commodity purchase contracts have been entered into as part of the Company's normal business activity, the Company classifies them as 'own use' contracts and outside of FRS102.12. This is achieved when:

- Physical delivery takes place under all such contracts;
- The volumes purchased or sold under the contracts corresponds to the Company's operating requirements; and
- The contracts are not considered as written options as defined by the Standard.

Commodity purchase contracts not qualifying as 'own use' which also meet the definition of a derivative are treated as derivative financial instruments. This includes both financial and non-financial contracts.

Derivatives and other financial instruments are measured at fair value on the contract date and are remeasured to fair value at subsequent reporting dates. Changes in the fair value of derivatives are recognised in the Statement of comprehensive income as they arise.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Classification of commodity purchase contracts

It is necessary for the Directors to assess whether commodity purchase contracts are for "own use" in the Company's normal course of business, or whether they are derivative financial instruments. The Directors believe that all such contracts held at 31 March 2020 and 31 March 2019 fulfil the requirements to qualify as "own use".

Deferred tax assets

Deferred tax assets are only recognized when it is considered more likely than not that the Company will make future taxable profits against which the deferred tax asset can be utilised. The Directors have taken a view that it is not appropriate to recognize a deferred tax asset at year-end.

SO ENERGY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

3. Judgements in applying accounting policies (continued)**Operating lease commitments**

The Company has entered into operating leases as a lessee. The classification of such leases as operating or finance leases requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

The following are the Company's key sources of estimation uncertainty:

Revenue recognition

Revenue includes an estimates of sales value of energy supplied to customers between the date of the last meter reading and the year-end. This is calculated by reference to data received through third party settlement systems, together with estimates of consumption not yet processed through settlements and selling price estimates. These estimates are sensitive to the assumptions used in determining the portion of sales not billed and not based on meter readings at the reporting date.

Intangible assets

The current amortisation period for customer acquisitions in Intangibles is 3 years which management consider appropriate based on available historical information involving customer retention. Management will continue evaluating the appropriateness of this as additional information is gathered.

4. Turnover

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

	2020 £	2019 £
Sales - Gas	96,007,373	41,547,170
Sales - Electricity	105,955,068	39,499,230
Sales - Other charges	158,617	35,493
	<u>202,121,058</u>	<u>81,081,893</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	<u>202,121,058</u>	<u>81,081,893</u>

SO ENERGY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

5. Operating profit/(loss)

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

	2020 £	2019 £
Amortisation of intangible assets	2,369,187	546,150
Depreciation of tangible fixed assets	94,719	18,171
Exchange differences	686	560
Other operating lease rentals	337,326	163,890
	<u>337,326</u>	<u>163,890</u>

6. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	58,000	22,000
	<u>58,000</u>	<u>22,000</u>
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	4,000	4,000
Preparation of financial statements	4,000	-
	<u>4,000</u>	<u>-</u>

7. Employees

	2020 £	2019 £
Wages and salaries	4,339,166	1,501,608
Social security costs	442,489	142,754
Cost of defined contribution scheme	112,994	25,350
	<u>4,894,649</u>	<u>1,669,712</u>

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

	2020 No.	2019 No.
Customer service and operations	117	44
Administration	15	11
	<u>132</u>	<u>55</u>

SO ENERGY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

8. Directors' remuneration

	2020 £	2019 £
Directors' remuneration	517,560	151,000
Company contributions to defined contribution pension schemes	16,562	3,600
	<u>534,122</u>	<u>154,600</u>

Highest paid director

The highest paid director's emoluments were as follows:

	2020 £	2019 £
Total amount of emoluments	217,560	-
Defined contribution pension schemes	6,962	-
	<u>224,522</u>	<u>-</u>

9. Interest receivable

	2020 £	2019 £
Other interest receivable	45,205	6,947
	<u>45,205</u>	<u>6,947</u>

10. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	328	-
Other loan interest payable	139,647	-
Loans from group undertakings	11,253	130,754
	<u>151,228</u>	<u>130,754</u>

SO ENERGY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

11. Taxation

	2020 £	2019 £
Current tax on profits for the year	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019: *higher than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit/(loss) on ordinary activities before tax	<u>885,694</u>	<u>(3,771,397)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	168,282	(716,565)
Effects of:		
Expenses not deductible for tax purposes	3,003	112,751
Unrecognised deferred tax	-	599,348
Utilisation of prior year tax losses	(173,111)	-
Group relief	1,826	4,466
Total tax charge for the year	<u>-</u>	<u>-</u>

SO ENERGY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

11. Taxation (continued)**Factors that may affect future tax charges**

In the current year, the main rate of UK corporation tax was 19% (2019: 19%). Reductions in the main rate of UK corporation tax from 19% to 17% for the year beginning 1 April 2020 have been substantively enacted at the Statement of Financial Position date. Temporary differences have been measured using enacted tax rates that are expected to apply when the liability is settled or the asset realised.

However, the UK government announced, in their budget held on 11 March 2020, that the corporation tax rate applicable from 1 April 2020 is now to remain at 19 per cent. This change was substantively enacted on 17 March 2020. This change in the corporation tax rate should not have a material future effect on the deferred tax balances recognised in these financial statements.

Unrecognised deferred tax assets

The Company has an unrecognised deferred tax asset at the year-end made up mostly of trade losses and capital allowances. This asset has not been recognised as the Directors do not believe that there is sufficient certainty that the Company will make taxable profits in the foreseeable future.

12. Intangible assets

	Renewable Obligation Certificates £	Customer acquisitions £	Total £
Cost			
At 1 April 2019	-	5,262,780	5,262,780
Additions	6,267,652	4,172,638	10,440,290
Utilisation of certificates	(6,267,652)	-	(6,267,652)
At 31 March 2020	-	9,435,418	9,435,418
Amortisation			
At 1 April 2019	-	546,140	546,140
Charge for the year on owned assets	-	2,369,187	2,369,187
At 31 March 2020	-	2,915,327	2,915,327
Net book value			
At 31 March 2020	-	6,520,091	6,520,091
At 31 March 2019	-	4,716,640	4,716,640

SO ENERGY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

13. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Smart Meter £	Total £
Cost				
At 1 April 2019	23,019	63,201	-	86,220
Additions	141,310	210,931	50,000	402,241
At 31 March 2020	<u>164,329</u>	<u>274,132</u>	<u>50,000</u>	<u>488,461</u>
Depreciation				
At 1 April 2019	14,381	20,361	-	34,742
Charge for the year	34,495	44,948	15,276	94,719
At 31 March 2020	<u>48,876</u>	<u>65,309</u>	<u>15,276</u>	<u>129,461</u>
Net book value				
At 31 March 2020	<u>115,453</u>	<u>208,823</u>	<u>34,724</u>	<u>359,000</u>
At 31 March 2019	<u>8,638</u>	<u>42,840</u>	<u>-</u>	<u>51,478</u>

SO ENERGY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

14. Debtors

	2020 £	2019 £
Trade debtors	9,818,312	4,755,688
Other debtors	3,850,665	3,455,206
Prepayments and accrued income	15,513,254	8,964,001
	<u>29,182,231</u>	<u>17,174,895</u>

Trade debtors are stated after provisions for impairment of £641,296 (2019: £93,542).

15. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	15,857,312	2,211,028
	<u>15,857,312</u>	<u>2,211,028</u>

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	21,234,618	1,640,692
Amounts owed to group undertakings	-	182,139
Other taxation and social security	158,188	54,823
Other creditors	28,750	7,492
Accruals and deferred income	35,691,897	27,649,408
	<u>57,113,453</u>	<u>29,534,554</u>

17. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Amounts owed to group undertakings	-	700,000
	<u>-</u>	<u>700,000</u>

At the Balance sheet date, there was a loan due to So Energy Limited of £Nil (2019: £700,000). This loan was repaid in 2020 and had an annual interest rate of 3.5%.

SO ENERGY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

18. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1 (2019: 1) Ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

19. Reserves**Profit and loss account**

Includes all current and prior periods retained profits and losses.

20. Contingent liabilities

On 16 January 2019 the Company, together with its parent company, has entered into a deed of debenture in respect of the facility agreement entered into with CFP Energy Limited. As a result of the deed, fixed and floating charges are charged to specified assets of the Company and the parent company, including assignment of specified rights. None of the facility is withdrawn as of 31 March 2020.

21. 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 £112,994 (2019: £25,350). Contributions totalling £27,176 (2019: £7,315) were payable to the fund at the reporting date and are included in creditors.

22. Commitments under operating leases

At 31 March 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	375,771	160,610
Later than 1 year and not later than 5 years	1,195,128	175,482
Later than 5 years	-	302,202
	<u>1,570,900</u>	<u>438,292</u>

SO ENERGY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

23. Derivatives and hedging

The Company mitigates its exposure to fluctuations in commodity prices by hedging. When these contracts are initiated to fulfil the supply requirement for customers, the Company classifies them as 'own use' and outside the scope of FRS 102 sections 11 and 12. The volume of energy delivered to the Company is in line with customer usage and no contracts are entered into on a speculative basis.

24. Related party transactions

Included in Trade creditors is £Nil (2019: £153) owed to S R Oscroft and £141 (2019: £122) owed to C Davies. Both are Directors of the Company.

Included in Other debtors is a net receivable balance of £2,338,641 (2019: £2,164,327), from a related party via common ownership.

25. Controlling party

The Directors consider that the Company has no sole ultimate controlling party. The Company's immediate parent company is SO Energy Limited.