

Company Registration No. 11311981 (England and Wales)

# **SANDS INVESTMENTS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

## **SANDS INVESTMENTS LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	Mr S B S Soin Mrs J Soin Mr R G Binns
<b>Company number</b>	11311981
<b>Registered office</b>	Datum House Electra Way Crewe CW1 6ZF
<b>Auditor</b>	MHA Moore and Smalley Richard House 9 Winckley Square Preston PR1 3HP

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## **SANDS INVESTMENTS LIMITED**

### **CONTENTS**

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	<b>Page</b>
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Group statement of comprehensive income	8
Group balance sheet	9
Company balance sheet	10
Group statement of changes in equity	11
Company statement of changes in equity	12
Group statement of cash flows	13
Notes to the financial statements	14 - 29

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# **SANDS INVESTMENTS LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 MARCH 2020**

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The directors present the strategic report for the year ended 31 March 2020.

### **Review of the business**

The business has been operating in a challenging environment but with its focus on customer service levels, retention and new acquisitions, combined with operating cost and margin control, the business is expected to deliver its future financial plans. This approach has also enabled it to largely withstand and adapt through the broader macro challenges of the impact of COVID not only on itself but of its domestic and business customer base.

During the full year of trading, the group has further increased the strategic focus on tariffs, cost to supply and operating overheads. A resultant increase in turnover of £1.1m to £65.8m (2019: £64.7m) delivered an increase in gross profit of £3.8m to £8.2m (2019: £4.4m). Whilst administration expenses increased by £3.5m to £11.4m (2019: £7.9m), excluding the goodwill amortisation and impairment would have seen operating loss reduce by £0.5m to £2.9m (2019: £3.4m). This continues the trend of improvement in the financial performance year on year.

### **Principal risks and uncertainties**

To tackle the dominance of the big six energy suppliers PFP Energy Limited has been engaging with policy makers and influencers at the highest level, campaigning for more transparency in the energy sector.

#### Wholesale Market Risk

PFP Energy Limited minimises the risk of wholesale cost fluctuations with a sophisticated hedging program which matches forward purchases with forecasted customer requirements. The group does not speculate in the energy market.

The group is neither exposed to nor benefits from market movements in either direction. Purchase contracts, customer demand and pricing are reviewed daily with ongoing adjustments made to minimise the financial impact of variations.

#### Cash flow Risk

The group considers cash in a professional manner modelling both short and long terms positions and requirements. Daily cashflow models are extended out three months and reviewed weekly by key management, whilst long term models give transparency in the sensitivity impact of movements in key assumptions allowing the group to react and readjust in a timely manner.

#### Credit risk

The group has a strict credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers before supply is commenced with discounts given on direct debit payment terms. Customer balances and payments are continually reviewed with processes for non-payment in line with licence conditions.

#### COVID risk

The impact of COVID at the end of the reported financial period and post year end has brought significant challenges to the business due to the impact of the wider macro environment. Particularly, its business customer base was impacted significantly. However, the business adapted quickly by ensuring that first and foremost, colleagues working within the business were able to continue to support its customer base safely by working remotely. The quality of the systems and responsiveness of the team ensured that there was no material impact to either the levels in customer service or adverse financial impact.

## **SANDS INVESTMENTS LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2020**

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##### **Key performance indicators**

The group's KPI's are revenue, gross margin, number of meters and EBITDA. Management continue to monitor performance against these KPIs on a regular basis.

	<b>2020</b>	<b>2019</b>
Revenue	£65.8m	£64.7m
Gross margin	£8.2m	£4.4m
Gross margin %	12.5%	6.8%
Number of meters	85,867	91,786
EBITDA	(£1.7m)	(£2.3m)

##### **Going concern**

The Company is reliant on the income from PFP Energy Limited the main trading subsidiary of the group.

The group balance sheet as at 31 March 2020 shows a net current liabilities position. The Directors have considered this when assessing the appropriateness of the going concern basis of the preparation of the financial statements.

The Directors are confident that the Company and Group will have sufficient funds available within the current arrangement to continue to meet its liabilities as they fall due for the period of 12 months from the date of approval of the financial statements. The Directors are actively looking at refinance or alternative growth strategies for the group and feel that the group will be able to meet its liabilities as they fall due beyond the period of 12 months and therefore have prepared the financial statements on a going concern basis.

Throughout the year the group has continued its strong relationship with its key supplier. The Directors consider this to be vital in providing the continuing financial support available to date and the Directors have no reason to believe that this would not be forthcoming in the future.

##### **Future developments**

The business financial controls include a three-year rolling business plan that takes into account variations in energy costs and customer pricing, combined with sensitivity analysis to allow for variances in market forces and forecasted growth rates.

On behalf of the board

**Mr S B S Soin**  
**Director**

28 October 2020

## **SANDS INVESTMENTS LIMITED**

### **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2020**

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

#### **Principal activities**

The principal activity of the company was that of a holding company, the principal activity of the group is that of the supply of electricity and gas to domestic and business customers.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr S B S Soin

Mrs J Soin

Mr R G Binns

#### **Results and dividends**

The results for the year are set out on page 8.

Preference dividends were accrued amounting to £32,500. The directors do not recommend payment of a further dividend.

#### **Auditor**

In accordance with the company's articles, a resolution proposing that MHA Moore and Smalley be reappointed as auditor of the group will be put at a General Meeting.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

**Mr S B S Soin**

**Director**

28 October 2020

## **SANDS INVESTMENTS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

#### **FOR THE YEAR ENDED 31 MARCH 2020**

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The directors are responsible 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 group and company, and of the profit or loss of the group 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **SANDS INVESTMENTS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF SANDS INVESTMENTS LIMITED**

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#### **Opinion**

We have audited the financial statements of Sands Investments Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group 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 FRS 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 group's and the parent company's affairs as at 31 March 2020 and of the group's loss 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.

#### **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 group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

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

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

We have nothing to report in this regard.



## **SANDS INVESTMENTS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF SANDS INVESTMENTS LIMITED**

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##### **Opinions on other matters prescribed by the Companies Act 2006**

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

##### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 directors' responsibilities statement, 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 group's and the parent 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 group or the parent 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **SANDS INVESTMENTS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF SANDS INVESTMENTS LIMITED**

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##### **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.

**Paul Locker (Senior Statutory Auditor)**  
**for and on behalf of MHA Moore and Smalley**  
**Chartered Accountants**  
**Statutory Auditor**

Richard House  
9 Winckley Square  
Preston  
PR1 3HP

28 October 2020

# SANDS INVESTMENTS LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

		Year ended 31 March 2020 £'000	Period ended 31 March 2019 £'000
	Notes		
<b>Turnover</b>	<b>3</b>	65,770	64,650
Cost of sales		(57,556)	(60,230)
<b>Gross profit</b>		8,214	4,420
Administrative expenses		(11,412)	(7,850)
Goodwill impairment	<b>4</b>	(6,384)	-
<b>Operating loss</b>	<b>5</b>	(9,582)	(3,430)
Interest receivable and similar income	<b>9</b>	9	5
Interest payable and similar expenses	<b>10</b>	(772)	(724)
<b>Loss before taxation</b>		(10,345)	(4,149)
Tax on loss	<b>11</b>	-	-
<b>Loss for the financial year</b>		(10,345)	(4,149)
Loss for the financial year is attributable to:			
- Owners of the parent company		(9,629)	(2,442)
- Non-controlling interests		(716)	(1,707)
		(10,345)	(4,149)
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		(9,629)	(2,442)
- Non-controlling interests		(716)	(1,707)
		(10,345)	(4,149)

# SANDS INVESTMENTS LIMITED

## GROUP BALANCE SHEET

AS AT 31 MARCH 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Goodwill	12		5,100		7,179
Other intangible assets	12		339		440
Total intangible assets			5,439		7,619
Tangible assets	13		533		653
			5,972		8,272
<b>Current assets</b>					
Debtors	16	17,757		16,199	
Cash at bank and in hand		1,440		635	
			19,197	16,834	
<b>Creditors: amounts falling due within one year</b>	17	(25,691)		(24,141)	
<b>Net current liabilities</b>			(6,494)		(7,307)
<b>Total assets less current liabilities</b>			(522)		965
<b>Creditors: amounts falling due after more than one year</b>	18		(5,282)		(5,429)
<b>Net liabilities</b>			(5,804)		(4,464)
<b>Capital and reserves</b>					
Called up share capital	21		6,267		2,571
Profit and loss reserves			(12,071)		(2,442)
<b>Equity attributable to owners of the parent company</b>			(5,804)		129
<b>Non-controlling interests</b>			-		(4,593)
			(5,804)		(4,464)

The financial statements were approved by the board of directors and authorised for issue on 28 October 2020 and are signed on its behalf by:

**Mr S B S Soin**  
Director

**SANDS INVESTMENTS LIMITED****COMPANY BALANCE SHEET****AS AT 31 MARCH 2020**

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Investments	14		5,100		5,000
<b>Current assets</b>					
Debtors	16	5,989		3,019	
Cash at bank and in hand		661		71	
		<u>6,650</u>		<u>3,090</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(244)</u>		<u>(87)</u>	
<b>Net current assets</b>			6,406		3,003
<b>Total assets less current liabilities</b>			<u>11,506</u>		<u>8,003</u>
<b>Creditors: amounts falling due after more than one year</b>	18		(5,282)		(5,429)
<b>Net assets</b>			<u>6,224</u>		<u>2,574</u>
<b>Capital and reserves</b>					
Called up share capital	21		6,267		2,571
Profit and loss reserves			(43)		3
<b>Total equity</b>			<u>6,224</u>		<u>2,574</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £46,000 (2019: £3,000 profit)

The financial statements were approved by the board of directors and authorised for issue on 28 October 2020 and are signed on its behalf by:

**Mr S B S Soin**  
Director

**Company Registration No. 11311981**

# SANDS INVESTMENTS LIMITED

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

		Share capital	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
	Notes	£'000	£'000	£'000	£'000	£'000
<b>Balance at 16 April 2018</b>		-	-	-	-	-
<b>Period ended 31 March 2019:</b>						
Loss and total comprehensive income for the period		-	(2,442)	(2,442)	(1,707)	(4,149)
Issue of share capital	21	2,571	-	2,571	-	2,571
Acquisition of subsidiary		-	-	-	(2,886)	(2,886)
<b>Balance at 31 March 2019</b>		2,571	(2,442)	129	(4,593)	(4,464)
<b>Period ended 31 March 2020:</b>						
Loss and total comprehensive income for the period		-	(9,629)	(9,629)	(716)	(10,345)
Disposal of shares in subsidiary to non-controlling interest		-	-	-	5,309	5,309
Increase in the equity element of non redeemable preference shares		3,696	-	3,696	-	3,696
<b>Balance at 31 March 2020</b>		6,267	(12,071)	(5,804)	-	(5,804)

**SANDS INVESTMENTS LIMITED**

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

		Share capital	Profit and loss reserves	Total
	Notes	£'000	£'000	£'000
<b>Balance at 16 April 2018</b>		-	-	-
<b>Period ended 31 March 2019:</b>				
Profit and total comprehensive income for the period		-	3	3
Issue of share capital	<b>21</b>	2,571	-	2,571
<b>Balance at 31 March 2019</b>		2,571	3	2,574
<b>Period ended 31 March 2020:</b>				
Loss and total comprehensive income for the period		-	(46)	(46)
Increase in the equity element of non redeemable preference shares		3,696	-	3,696
<b>Balance at 31 March 2020</b>		6,267	(43)	6,224

# SANDS INVESTMENTS LIMITED

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

		2020	2019
	Notes	£'000	£'000
<b>Cash flows from operating activities</b>			
Cash absorbed by operations	26	(1,701)	(587)
Interest paid		(772)	(724)
<b>Net cash outflow from operating activities</b>		(2,473)	(1,311)
<b>Investing activities</b>			
Purchase of business		(100)	(2,820)
Purchase of intangible assets		(71)	(111)
Purchase of tangible fixed assets		(110)	(128)
Interest received		9	5
<b>Net cash used in investing activities</b>		(272)	(3,054)
<b>Financing activities</b>			
Proceeds from issue of shares		-	2,571
Issue of preference shares		750	3,429
Proceeds from borrowings		2,800	2,000
Repayment of borrowings		-	(3,000)
<b>Net cash generated from financing activities</b>		3,550	5,000
<b>Net increase in cash and cash equivalents</b>		805	635
Cash and cash equivalents at beginning of year		635	-
<b>Cash and cash equivalents at end of year</b>		1,440	635



# **SANDS INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 MARCH 2020**

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#### **1 Accounting policies**

##### **Company information**

Sands Investments Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Datum House, Electra Way, Crewe, CW1 6ZF.

The group consists of Sands Investments Limited and all of its subsidiaries.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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 £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group which prepares these consolidated financial statements, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

##### **1.2 Basis of consolidation**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

## **SANDS INVESTMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2020**

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#### **1 Accounting policies**

**(Continued)**

The consolidated financial statements incorporate those of Sands Investments Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### **1.3 Going concern**

The Company is reliant on the income from PFP Energy Limited the main trading subsidiary of the group.

The group balance sheet as at 31 March 2020 shows a net current liabilities position. The Directors have considered this when assessing the appropriateness of the going concern basis of the preparation of the financial statements.

The Directors are confident that the Company and Group will have sufficient funds available within the current arrangement to continue to meet its liabilities as they fall due for the period of 12 months from the date of approval of the financial statements. The Directors are actively looking at refinance or alternative growth strategies for the group and feel that the group will be able to meet its liabilities as they fall due beyond the period of 12 months and therefore have prepared the financial statements on a going concern basis.

Throughout the year the group has continued its strong relationship with its key supplier. The Directors consider this to be vital in providing the continuing financial support available to date and the Directors have no reason to believe that this would not be forthcoming in the future.

#### **1.4 Reporting period**

The company was incorporated on 16 April 2018 and so the previous accounting period relates to the period from incorporation to 31 March 2019. The current accounting period relates to the 12 months to 31 March 2020. As such, the two periods are not entirely comparable.

#### **1.5 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and sales discounts.

Turnover arises from the supply of electricity and gas and related services, which is recognised based on the date of use by customers according to meter read data and tariff rates. This includes an estimates of the sales value of units supplied to customers between the date of the last meter reading and the year end.

Accrued income, representing electricity and gas supplies since the last billing date, is recognised in the balance sheet and is netted off against deferred income to the extent that it can be matched against specific customer payments.

## **SANDS INVESTMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

#### **1 Accounting policies**

**(Continued)**

##### **1.6 Intangible fixed assets - goodwill**

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

##### **1.7 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	5 years straight line
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##### **1.8 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10 years straight line
Fixtures and fittings	10 years straight line
Computers	5 years straight line
Motor vehicles	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

##### **1.9 Fixed asset investments**

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

## SANDS INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

#### 1 Accounting policies

(Continued)

##### 1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

##### 1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

## SANDS INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

#### 1 Accounting policies

(Continued)

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

##### ***Basic financial liabilities***

Basic financial liabilities, including creditors and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. Trade creditors are recognised initially at transaction price.

##### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### 1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

## **SANDS INVESTMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

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#### **1 Accounting policies**

**(Continued)**

##### **1.14 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **1.15 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### **1.16 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### **2 Judgements and key sources of estimation uncertainty**

In the application of the group'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.

##### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### ***Revenue recognition - estimation of usage at the period end***

Revenue for the supply of electricity and gas is recognised using customer tariff rates and industry usage data for each meter point. There is an inherent risk of estimation involved as not all customer meters have a reading at the year end date, and therefore an element of each customer's revenue is based upon an estimate. Following the year end, management review updated revenue estimations which are increasingly accurate as meter readings are obtained. Revenue for the year is corrected to take account of any significant variations identified post year end.

##### ***Impairment of trade debtors***

Impairment against trade receivables are recognised where the loss is probable. Management have based their assessment of the level of impairment on collection rates experienced by the company to date. The estimates and assumptions used to determine the level of provision will continue to be reviewed periodically and could lead to changes in the impairment provision methodology which would impact the statement of comprehensive income in future years.

# SANDS INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 3 Turnover and other revenue

	2020 £'000	2019 £'000
<b>Turnover analysed by class of business</b>		
Attributable to the principal activity of the group	65,770	64,650
	<u>          </u>	<u>          </u>
	2020 £'000	2019 £'000
<b>Other significant revenue</b>		
Interest income	9	5
	<u>          </u>	<u>          </u>

### 4 Exceptional item

	2020 £'000	2019 £'000
<b>Expenditure</b>		
Goodwill impairment	6,384	-
	<u>          </u>	<u>          </u>

During the year an impairment review of the goodwill was performed. The goodwill was written down to £5,100,000 which the Director's consider to be the fair value.

### 5 Operating loss

	2020 £'000	2019 £'000
Operating loss for the period is stated after charging:		
Depreciation of owned tangible fixed assets	230	215
Amortisation of intangible assets	1,276	874
Impairment of intangible assets	6,384	-
Operating lease charges	77	78
	<u>          </u>	<u>          </u>

### 6 Auditor's remuneration

	2020 £'000	2019 £'000
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	4	6
Audit of the financial statements of the company's subsidiaries	24	23
	<u>          </u>	<u>          </u>
	28	29
	<u>          </u>	<u>          </u>

# SANDS INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Operational	95	73	2	1
Support	34	28	-	-
Total	<u>129</u>	<u>101</u>	<u>2</u>	<u>1</u>

Their aggregate remuneration comprised:

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Wages and salaries	3,427	3,054	164	127
Social security costs	302	281	14	16
Pension costs	278	190	-	-
	<u>4,007</u>	<u>3,525</u>	<u>178</u>	<u>143</u>

### 8 Directors' remuneration

	2020 £'000	2019 £'000
Remuneration for qualifying services	439	338
Company pension contributions to defined contribution schemes	11	9
	<u>450</u>	<u>347</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2020 £'000	2019 £'000
Remuneration for qualifying services	292	327
Company pension contributions to defined contribution schemes	11	9
	<u></u>	<u></u>

### 9 Interest receivable and similar income

	2020 £'000	2019 £'000
Interest income		
Interest on bank deposits	9	5
	<u></u>	<u></u>



**SANDS INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2020****10 Interest payable and similar expenses**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Dividends on redeemable preference shares not classified as equity	33	80
Other interest on financial liabilities	739	644
	<u>          </u>	<u>          </u>
Total finance costs	<u>772</u>	<u>724</u>

# SANDS INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

#### 11 Taxation

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £'000	2019 £'000
Loss before taxation	(10,345)	(4,149)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(1,966)	(788)
Tax effect of expenses that are not deductible in determining taxable profit	1,254	15
Change in unrecognised deferred tax assets	499	635
Depreciation on assets not qualifying for tax allowances	3	1
Amortisation on assets not qualifying for tax allowances	210	137
Taxation charge	-	-

The group has tax losses of £16,462,000 available for use against future taxable profits.

The Chancellor stated his intention to maintain the main rate of corporation tax at 19%. This change to previously announced policy was substantively enacted on 17 March 2020.

#### 12 Intangible fixed assets

Group	Goodwill £'000	Software £'000	Total £'000
<b>Cost</b>			
At 1 April 2019	7,898	595	8,493
Additions - separately acquired	-	71	71
Additions - business combinations	5,409	-	5,409
At 31 March 2020	13,307	666	13,973
<b>Amortisation and impairment</b>			
At 1 April 2019	719	155	874
Amortisation charged for the year	1,104	172	1,276
Impairment losses	6,384	-	6,384
At 31 March 2020	8,207	327	8,534
<b>Carrying amount</b>			
At 31 March 2020	5,100	339	5,439
At 31 March 2019	7,179	440	7,619

The company had no intangible fixed assets at 31 March 2020 or 31 March 2019.

# SANDS INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 12 Intangible fixed assets

(Continued)

More information on the impairment arising in the year is given in note 4.

### 13 Tangible fixed assets

Group	Leasehold improvements £'000	Fixtures and fittings £'000	Computers £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>					
At 1 April 2019	246	82	511	29	868
Additions	-	1	109	-	110
	<u>246</u>	<u>83</u>	<u>620</u>	<u>29</u>	<u>978</u>
At 31 March 2020	246	83	620	29	978
<b>Depreciation and impairment</b>					
At 1 April 2019	28	20	165	2	215
Depreciation charged in the year	27	21	176	6	230
	<u>55</u>	<u>41</u>	<u>341</u>	<u>8</u>	<u>445</u>
At 31 March 2020	55	41	341	8	445
<b>Carrying amount</b>					
At 31 March 2020	<u>191</u>	<u>42</u>	<u>279</u>	<u>21</u>	<u>533</u>
At 31 March 2019	<u>218</u>	<u>62</u>	<u>346</u>	<u>27</u>	<u>653</u>

The company had no tangible fixed assets at 31 March 2020 or 31 March 2019.

### 14 Fixed asset investments

		Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
	Notes				
Investments in subsidiaries	15	-	-	5,100	5,000
		<u>-</u>	<u>-</u>	<u>5,100</u>	<u>5,000</u>

# SANDS INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 14 Fixed asset investments

(Continued)

#### Movements in fixed asset investments Company

Shares in  
group  
undertakings  
£'000

#### Cost or valuation

At 1 April 2019	5,000
Additions	100
At 31 March 2020	5,100

#### Carrying amount

At 31 March 2020	5,100
At 31 March 2019	5,000

### 15 Subsidiaries

Details of the company's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
PFP Energy Limited	Unit 2 Edward VII Quay, Riversway, Preston, PR2 2YF	Ordinary	100.00	-
PFP Energy Supplies Limited	Unit 2 Edward VII Quay, Riversway, Preston, PR2 2YF	Ordinary	0	100.00

### 16 Debtors

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
<b>Amounts falling due within one year:</b>				
Trade debtors	8,199	7,112	-	-
Amounts owed by undertakings in which the company has a participating interest	150	-	150	-
Other debtors	190	132	14	-
Prepayments and accrued income	9,218	8,955	25	19
	<u>17,757</u>	<u>16,199</u>	<u>189</u>	<u>19</u>
<b>Amounts falling due after more than one year:</b>				
Amounts owed by group undertakings	-	-	5,800	3,000
	<u>-</u>	<u>-</u>	<u>5,800</u>	<u>3,000</u>
<b>Total debtors</b>	<u>17,757</u>	<u>16,199</u>	<u>5,989</u>	<u>3,019</u>

# SANDS INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 17 Creditors: amounts falling due within one year

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Payments received on account	3,292	1,704	-	-
Trade creditors	11,383	9,935	100	1
Other taxation and social security	83	98	5	26
Other creditors	180	84	100	4
Accruals and deferred income	10,753	12,320	39	56
	<u>25,691</u>	<u>24,141</u>	<u>244</u>	<u>87</u>

Included within trade creditors is a balance of £10,291,000 (2019: £9,119,000) which is secured by way of a fixed and floating charge over all assets of the subsidiary.

### 18 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Other borrowings	19	5,282	5,429	5,282	5,429
		<u>5,282</u>	<u>5,429</u>	<u>5,282</u>	<u>5,429</u>

### 19 Loans and overdrafts

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Preference shares	482	3,429	482	3,429
Loans from related parties	4,800	2,000	4,800	2,000
	<u>5,282</u>	<u>5,429</u>	<u>5,282</u>	<u>5,429</u>
Payable after one year	5,282	5,429	5,282	5,429
	<u>5,282</u>	<u>5,429</u>	<u>5,282</u>	<u>5,429</u>

The long term loans are unsecured. There is a fixed annual interest rate of 7.5% per cent in respect of the loans.

### 20 Retirement benefit schemes

	2020 £'000	2019 £'000
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	278	190
	<u>278</u>	<u>190</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

## SANDS INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

#### 21 Share capital

	Group and company	
	2020	2019
	£'000	£'000
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
2 Ordinary shares of £1 each	-	-
	<u>          </u>	<u>          </u>
<b>Preference share capital</b>		
<b>Issued and fully paid</b>		
6,750,000 (2019: 6,000,000) Preference shares of £1 each	6,750	6,000
	<u>          </u>	<u>          </u>
Preference shares classified as equity	6,267	2,571
Preference shares classified as liabilities	483	3,429
	<u>          </u>	<u>          </u>
	6,750	6,000
	<u>          </u>	<u>          </u>
<b>Total equity share capital</b>	6,267	2,571
	<u>          </u>	<u>          </u>

On 2 March 2020, the company issued a 750,000 £1 preference shares at par.

The company has one class of ordinary shares which carry no right to fixed income but hold all of the voting rights. Additionally, the company has in issue 6,750,000 preference shares which carry a right to fixed income but not voting rights.

#### 22 Acquisitions

On 15 August 2019, the group acquired a further 38.1% shareholding in PFP Energy Limited, before acquiring the remaining 11.8% on 17 March 2020. A total of £100,000 was paid in total to acquire these shares.

#### 23 Operating lease commitments

##### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Within one year	84	84	-	-
Between two and five years	30	114	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	114	198	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# SANDS INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 24 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £'000	2019 £'000
Aggregate compensation	1,018	854

#### Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Purchases	
	2020 £'000	2019 £'000
<b>Group</b>		
Entities with control, joint control or significant influence over the group	31,582	36,737

	Interest payable		Interest and management charges receivable	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Group</b>				
Entities with control, joint control or significant influence over the company	-	125	-	-
Other related parties	245	171	-	-

#### Company

Entities over which the entity has control, joint control or significant influence

Other related parties	245	171	-	-
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#### Amounts due to related parties

	2020 £'000	2019 £'000
<b>Group</b>		
Entities with control, joint control or significant influence over the group	9,903	8,402
Other related parties	4,800	2,013

#### Company

Other related parties	4,800	2,013
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# SANDS INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 24 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

#### Amounts due from related parties

**2019  
Balance  
£'000**

#### Company

Entities over which the company has control, joint control or significant influence

3,000

### 25 Controlling party

The ultimate controlling party was Mr S B S Soin throughout the period.

### 26 Cash absorbed by group operations

**2020  
£'000**

**2019  
£'000**

Loss for the year after tax

(10,345)

(4,149)

#### Adjustments for:

Finance costs

772

724

Investment income

(9)

(5)

Amortisation and impairment of intangible assets

7,660

874

Depreciation and impairment of tangible fixed assets

230

215

#### Movements in working capital:

Increase in debtors

(1,558)

(3,348)

Increase in creditors

1,549

5,102

#### Cash absorbed by operations

(1,701)

(587)

### 27 Analysis of changes in net debt - group

**1 April 2019**

**Cash flows 31 March 2020**

**£'000**

**£'000**

**£'000**

Cash at bank and in hand

635

805

1,440

Borrowings excluding overdrafts

(5,429)

147

(5,282)

(4,794)

952

(3,842)



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.