Registered number: SC533489

TOGETHER ENERGY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 OCTOBER 2019

COMPANY INFORMATION

Directors	Paul Scott Richards Steven John Broomhead (appointed 10 October 2019)
Registered number	SC533489
Registered office	Erskine House North Avenue Clydebank Business Park Clydebank Dumbartonshire G81 2DR
Independent auditor	French Duncan LLP Chartered Accountants and Statutory Auditors 133 Finnieston Street Glasgow G3 8HB
Bankers	Bank of Scotland 167-201 Argyle Street Glasgow G2 8BU
Solicitors	MacRoberts LLP 60 York Street Glasgow G2 8JX

TOGETHER ENERGY LIMITED

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GROUP STRATEGIC REPORT
FOR THE PERIOD ENDED 31 OCTOBER 2019

The directors present the strategic report for the period ended 31 October 2019.

Business review

Together Energy Limited (the "Group") is a retail energy supplier, offering low priced tariffs up to a 3 year term. The Group operates with an economical cost base together with price protection on market volatility through valued wholesale partnerships.

During the period the Group generated £88,108,446 of revenue (2018: £35,994,382). At 31 October 2019 net liabilities of the Group stood at £19,005,157 (2018: £7,590,793). The Group made a loss of £11,414,364 (2018: £6,862,871) in the period. The Directors are confident that the Group is well positioned to achieve sales growth and profitability in the future.

The Directors are proud of this years' performance which aligns to our business development and are pleased to note that we have delivered on all strategic objectives in what has been a challenging year for Together Energy and the wider industry. The Group believes that our highly competitive cost to serve puts us in an advantageous position to absorb a large proportion of big 6 customers who are looking for a competitive product.

Prior to the period end, the Group received inward investment from Warrington Borough Council of £17,249,662 (net of transaction costs) in exchange for 50% of the Group's shares. The Group is particularly optimistic about the key strategic partnership with Warrington Borough Council, the synergies it brings, the potential for diversification and future growth.

Post year end the global pandemic has impacted many businesses worldwide including the energy market. The Group supplies energy to UK residential customers and, with many people working from home during COVID, this has caused domestic consumption to rise. A diversified sales channel portfolio combined with healthy margins and higher consumption has resulted in improved financial performance post year end. However, it is important that the Group manages collections for outstanding customer balances in a fair and timely manner to minimize any customer detriment and the impact of any bad debts, something that could happen as a result of a UK wide recession following the COVID pandemic. The Group utilises its internal resources to manage live customer debt and partners with an external agency to manage lost customer debt. Collections rates are strong, and the Group also closely monitors customers direct debits in terms of cancelled and failed payments. To date the Group has no concerns in this regard.

Our business continuity plans were tested with COVID, but stood up well, and we were able to mobilise our entire workforce working from home within 72 hours, with no break in the service in the contact centre or billing operation.

We continue to monitor cash collection as the government's furlough scheme comes to an end. We feel our large Direct Debit base, coupled with our portfolio being exclusively domestic puts us in a stronger position than many of our competitors.

COVID has created larger than forecast balancing costs for the business, we review this on a daily basis and feel confident that the increase in domestic consumption offsets this challenge.

Principal risks and uncertainties

The Senior Leadership Team has identified and manages risks associated with the Group's business objectives and strategy. Our risks and in four main areas:

Capital
The Group proactively monitors cash flow requirements to ensure the Group has sufficient cash to meet its obligations. The directors believe that there are adequate resources to finance the Group until the Group becomes profitable.

Wholesale Market Risk
The Group has an excellent track record of forecasting and managing customer consumption. We do not speculate on market movement. We make forward purchases for power and gas delivery in line with our sourcing policy.

Mark to Market Risk
We have mitigated this risk through a wider trading agreement.

Customer Attrition Risk
We currently outperform both industry averages and our own forecasts for customer retention. Unlike a lot of our competitors, we have a low dependency on switching sites for growth, and adopt a multi-channel sales approach.

Cash Collection
The Group operates with a very high level of customers paying by direct debit. We have strong financial controls around payment adequacy.

Financial key performance indicators

The Senior Leadership Team responsible for the operations of the business measure a number of financial and non-financial KPIs in order to manage and develop the business to achieve the Group's strategic objectives. The Group's KPIs include turnover of £88,108,446 of revenue (2018: £35,994,382) and average number of meter points supplied of 117,859 (2018: 65,128).

Other key performance indicators

	October 2019	August 2018
% age of customers 2 year contract or more	46.4%	11.70%
% age of staff SIMD 40 or below	71%	75%
CAB score	2.9	2.4

We consider ourselves the most socially responsible recruiter in Scotland, our commitment and support of people who are from the most vulnerable backgrounds is unprecedented, and we continue to work and support staff who are care experienced and from poorest postcodes. The Scottish Index of Multiple Deprivation (SIMD) identifies deprived areas in Scotland. The Group actively recruits from these areas, providing individuals with jobs and training to develop essential skills. The Group also has an in-house teacher and sponsors staff to attend a local university for further education. We are proud to report that 2 members of staff have entered their honours year through the Graduate Levy Apprenticeship, both from SIMD 20 or below. We have successfully put more than 30 staff through the modern apprenticeship in Business Administration, those who are successful feed our funnel to produce graduates and future business leaders from backgrounds that are not traditionally afforded that opportunity. Furthermore, we are an accredited living wage employer paying the over-25 living wage to all staff regardless of age. Since the investment by Warrington Borough Council, we are also a socially responsible recruiter in the north west of England.

Recruiting as we do has taken its toll on customer service, we have had to adapt and change our training and HR policies, but we are pleased to report a 60% reduction in Ombudsman fees in the period. There is still more work to do here, but we are committed to providing top quartile customer service whilst remaining true to our values around recruitment.

The Group actively promotes longer term fixed rate tariffs to give customers peace of mind regarding their energy bills. At the period end 46.4% (2018: 11.7%) were on fixed rate tariffs of at least 2 years.

CAB (Citizens Advice Bureau) produce a scoring mechanism which ranks energy suppliers in the UK. It is important to the Group that we continue to improve this score and provide an excellent service to our customers as this helps with attracting new customers and retaining existing customers. We are pleased to note that we score highly on billing timeliness and accuracy and also on contact centre wait times.

This report was approved by the board on 14 August 2020 and signed on its behalf.

Paul Scott Richards
Director

DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 OCTOBER 2019

The directors present their report and the financial statements for the period ended 31 October 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group 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 for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity during the period was the supply of gas and electricity to domestic households throughout Scotland, England and Wales. Because of Together Energy's fair and transparent pricing policy, we have been able to offer sustainable savings to our customer base.

Results and dividends

The loss for the period, after taxation, amounted to £11,414,364 *(2018 - loss £6,862,871)*.

No dividends were paid in the period.

Directors

The directors who served during the period were:

Paul Scott Richards
Steven John Broomhead (appointed 10 October 2019)

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 OCTOBER 2019

Future developments

The directors anticipate growth in turnover in the next financial year, achieved through a variety of different sales channels including, but not limited to, outbound sales, price comparison websites and panel auctions. The Group is also well placed to achieve profitability in the future, through healthy gross margins and a low cost to serve.

Since the year end the Group has moved its wholesale trading arrangement and is now one of the greenest energy suppliers in the UK. All tariffs now have 100% green electricity.

The Group are equally as committed to delivering green gas strategies and are in the early stages of developing partnerships in this area.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post balance sheet events

Since 31 October 2019, the world has faced unprecedented uncertainty and disruption as a result of Covid-19. The directors have considered the effects of this pandemic on the operations and any going concern implications for the business post year end, and full details are noted in section 2.3 in accounting policies.

Going concern

Full details on going concern is noted in section 2.3 in accounting policies. The group has a net liability balance sheet at 31 October 2019, largely due to the accounting treatment of the investment in preference shares, however, trading post year end has resulted in both profit and cash generation, thus together with continued support from shareholders and available banking facilities, the directors are satisfied that preparing the financial statements on a going concern basis is appropriate.

Auditor

The auditor, French Duncan LLP is deemed to have been reappointed under section 487(2) of the Companies Act 2006.

This report was approved by the board on 14 August 2020 and signed on its behalf.

Paul Scott Richards
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOGETHER ENERGY LIMITED

Opinion

We have audited the financial statements of Together Energy Limited (the 'parent Company') and its subsidiaries (the 'Group') for the period ended 31 October 2019, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, 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 Group's and of the parent Company's affairs as at 31 October 2019 and of the Group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Opinion 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 Group Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Group 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 Group Strategic Report or the Directors' Report.

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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOGETHER ENERGY LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 4, 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.

French Duncan LLP

Nicola MacLennan (Senior Statutory Auditor)

for and on behalf of
French Duncan LLP

Chartered Accountants and Statutory Auditors

133 Finnieston Street
Glasgow
G3 8HB

14 August 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 OCTOBER 2019

	Note	Period ended 31 October 2019 £	*Year ended 31 August 2018 £*
Turnover	4	88,108,446	*35,994,382*
Cost of sales		(83,573,014)	*(35,108,551)*
Gross profit		4,535,432	*885,831*
Administrative expenses		(17,050,562)	*(7,517,353)*
Other operating income	5	431,581	-
Operating loss	6	(12,083,549)	*(6,631,522)*
Interest receivable and similar income	10	738	*52*
Interest payable and expenses	11	(180,142)	*(267,236)*
Loss before taxation		(12,262,953)	*(6,898,706)*
Tax on loss	12	848,589	*35,835*
Loss for the financial period		(11,414,364)	*(6,862,871)*
Total comprehensive income for the period		(11,414,364)	*(6,862,871)*

The notes on pages 17 to 40 form part of these financial statements.

TOGETHER ENERGY LIMITED
REGISTERED NUMBER: SC533489

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2019

	Note		31 October 2019 £		*31 August 2018 £*
Fixed assets					
Intangible assets	13		4,845,836		*3,381,156*
Tangible assets	14		137,892		*148,223*
			4,983,728		*3,529,379*
Current assets					
Debtors: amounts falling due within one year	16	21,429,808		*3,620,822*	
Cash at bank and in hand	17	2,001,990		*1,816,689*	
		23,431,798		*5,437,511*	
Creditors: amounts falling due within one year	18	(28,198,403)		*(16,557,683)*	
Net current liabilities			(4,766,605)		*(11,120,172)*
Total assets less current liabilities			217,123		*(7,590,793)*
Creditors: amounts falling due after more than one year	19		(19,222,280)		-
Provisions for liabilities					
Net liabilities			(19,005,157)		*(7,590,793)*
Capital and reserves					
Called up share capital	22		2,000		*2,000*
Share premium account	23		189,597		*189,597*
Profit and loss account	23		(19,196,754)		*(7,782,390)*
			(19,005,157)		*(7,590,793)*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 August 2020.

Paul Scott Richards
Director

The notes on pages 17 to 40 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2019

	Note		31 October 2019 £		*31 August 2018 £*
Fixed assets					
Intangible assets	13		4,476,553		*2,914,190*
Tangible assets	14		137,892		*148,223*
Investments	15		333,030		*333,030*
			4,947,475		*3,395,443*
Current assets					
Debtors: amounts falling due within one year	16	21,429,808		*2,842,561*	
Cash at bank and in hand	17	2,001,990		*1,816,689*	
		23,431,798		*4,659,250*	
Creditors: amounts falling due within one year	18	(28,073,371)		*(15,634,389)*	
Net current liabilities			(4,641,573)		*(10,975,139)*
Total assets less current liabilities			305,902		*(7,579,696)*
Creditors: amounts falling due after more than one year	19		(19,222,280)		-
Net liabilities			(18,916,378)		*(7,579,696)*
Capital and reserves					
Called up share capital	22		2,000		*2,000*
Share premium account	23		189,597		*189,597*
Profit and loss account	23		(19,107,975)		*(7,771,293)*
			(18,916,378)		*(7,579,696)*

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 OCTOBER 2019

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 August 2020.

Paul Scott Richards
Director

The notes on pages 17 to 40 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 OCTOBER 2019

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 September 2018	2,000	189,597	(7,782,390)	(7,590,793)
Comprehensive income for the period				
Loss for the period	-	-	(11,414,364)	(11,414,364)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	(11,414,364)	(11,414,364)
Total transactions with owners	-	-	-	-
At 31 October 2019	2,000	189,597	(19,196,754)	(19,005,157)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 AUGUST 2018

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 September 2017	1,000	89,857	(919,519)	(828,662)
Comprehensive income for the year				
Loss for the year	-	-	(6,862,871)	(6,862,871)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(6,862,871)	(6,862,871)
Shares issued during the year	1,000	99,740	-	100,740
Total transactions with owners	1,000	99,740	-	100,740
At 31 August 2018	2,000	189,597	(7,782,390)	(7,590,793)

The notes on pages 17 to 40 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 OCTOBER 2019

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 September 2018	2,000	189,597	(7,771,293)	(7,579,696)
Comprehensive income for the year				
Loss for the period	-	-	(11,336,682)	(11,336,682)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	(11,336,682)	(11,336,682)
Total transactions with owners	-	-	-	-
At 31 October 2019	2,000	189,597	(19,107,975)	(18,916,378)

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 AUGUST 2018

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 September 2017	1,000	89,857	(919,519)	(828,662)
Comprehensive income for the year				
Loss for the year	-	-	(6,851,774)	(6,851,774)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(6,851,774)	(6,851,774)
Contributions by and distributions to owners				
Shares issued during the year	1,000	99,740	-	100,740
Total transactions with owners	1,000	99,740	-	100,740
At 31 August 2018	2,000	189,597	(7,771,293)	(7,579,696)

The notes on pages 17 to 40 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 OCTOBER 2019

	31 October 2019 £	*31 August 2018 £*
Cash flows from operating activities		
Loss for the financial period	(11,414,364)	*(6,862,871)*
Adjustments for:		
Amortisation of intangible assets	3,161,876	*594,358*
Depreciation of tangible assets	72,481	*31,627*
Government grants	(220,000)	*-*
Interest paid	180,142	*267,236*
Interest received	(738)	*(52)*
Taxation charge	(848,589)	*(35,835)*
(Increase) in debtors	(17,439,514)	*(3,103,807)*
Increase in creditors	9,613,338	*13,850,221*
Corporation tax received	479,117	*-*
Net cash generated from operating activities	(16,416,251)	*4,740,877*
Cash flows from investing activities		
Purchase of intangible fixed assets	(4,626,556)	*(2,939,448)*
Purchase of tangible fixed assets	(62,150)	*(160,920)*
Government grants received	220,000	*-*
Interest received	738	*52*
Net cash from investing activities	(4,467,968)	*(3,100,316)*

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 31 OCTOBER 2019

	31 October 2019 £	*31 August 2018 £*
Cash flows from financing activities		
Issue of ordinary shares	-	*100,740*
Other new loans	4,000,000	-
Shares treated as debt - issued	17,249,662	-
Interest paid	(180,142)	*(267,236)*
Net cash used in financing activities	21,069,520	*(166,496)*
Net increase in cash and cash equivalents	185,301	*1,474,065*
Cash and cash equivalents at beginning of period	1,816,689	*342,624*
Cash and cash equivalents at the end of period	2,001,990	*1,816,689*
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	2,001,990	*1,816,689*
	2,001,990	*1,816,689*

The notes on pages 17 to 40 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2019

1. General information

The company is a private company limited by shares and is incorporated in Scotland. The Registered Office and principal place of business is Erskine House, Clydebank Business Park, Dunbartonshire, G81 2DR.

The principal activity of the Group in the period under review was the supply of gas and electricity to domestic households throughout the United Kingdom.

2. Accounting policies

2.1 Basis of preparation of financial statements

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, including the provisions of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention unless otherwise specified within these accounting policies.

The financial statements have been prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The Group and Company has changed its financial year-end from 31 August to 31 October in order to align the year end date with that of all subsidiaries. This is the first financial reporting period adopting the new year-end date. The financial statements are for the 14 month period ended 31 October 2019, whilst the comparatives are for a twelve month period.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

In order to correctly allocate costs within the profit and loss account, a number of expenses have been reallocated from cost of sales to administration expenses. The directors consider this provides a more appropriate guide to performance and aligns the statutory financial statements and with internal management accounts and internal performance indicators. This has resulted in a reallocation of £1,749,205 from cost of sales to administrative expenses. There has been no impact upon the prior year operating loss or loss for the year.

The following principal accounting policies have been applied:

2. Accounting policies (continued)

2.2 Basis of consolidation

The consolidated financial statements incorporate those of Together Energy Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). This is collectively known as "the group".

Reduced disclosures
The company has taken advantage of the exemption from disclosing the following information, as permitted by the reduced disclosure regime within FRS 102.

- Section 7 'Statement of cash flows' – Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 11 'Basic financial instruments' – certain disclosure requirements included in paragraph 11.41 and 11.48C as equivalent disclosures are included within the consolidated financial statements.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Together Energy Limited. The consolidated financial statements are available from its registered office, Erskine House, Clydebank Business Park, Dunbartonshire, G81 2DR.

All financial statements are made up to 31 October 2019 and uniform accounting policies are followed throughout the group.

Subsidiaries acquired during the year are consolidated using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

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.

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 is recognised as goodwill.

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.

Where an interest in a subsidiary is increased or reduced, but control is not obtained or lost, the difference between the fair value of any consideration paid or received and the change in non-controlling interest is recognised in equity and attributed to owners of the parent.

2. Accounting policies (continued)

2.3 Going concern

The Group has incurred a loss for the year of £11,414,364 (2018 - £6,862,871) and has net liabilities of £19,005,157 (£7,590,793). During the year a shareholder invested £18,000,000 in preference share capital, and this is currently shown within creditors: amounts falling due after more than one year, rather than equity, as a result of the liability element on these shares. Had the shares been equity in nature, the net liability position of the business would have been £1,755,495 at the period end date, a positive movement of £5,835,298 on the prior year results.

This welcome inward investment in share capital, together with a further loan of £4,000,000 and an upward movement on the gross margin achieved on sales, has provided positive cashflow for the Group in the period. This has allowed the directors to manage the business through a period of transition and look towards the future.

The directors are optimistic about the forthcoming period, and with improved gross margins, expect the business to move towards profitability within the next few years. The Group frequently updates it's business model, replacing forecasted numbers with actual, and then reforecasting the future position. The key drivers in this financial model are customer numbers and gross margin. The Group has a history of exceeding expectation on gross margin, and has a wide spread of sales channels in order to achieve the forecasted growth targets, even in a COVID situation. The directors have also considered a number of potential scenarios over the coming twelve months, including reductions in growth plans and gross margins and even these sensitized forecasts show that the business model provides the Group with adequate resources to meet its obligations as they fall due. Sensitivity analysis is often carried out in this model in real time so that the directors know how and when to react to changes in market conditions.

The Group is forecast to hold appropriate cash levels, and furthermore, has access to a revolving credit facility with a bank which gives the company additional headroom should it ever be required. Covid has created larger than forecast balancing costs for the business, however, continual monitoring of the cost basis, and an increase in domestic consumption is considered to offset this challenge.

The directors are therefore of the opinion that preparing the financial statements on a going concern basis is appropriate.

2.4 Revenue

Turnover comprises the sale value of electricity and gas supplied to customers during the period exclusive of VAT and includes an estimate of the values of units supplied to properties between the dates of the last meter read and the period end.

2.5 Operating leases: the Group as lessee

Rentals payable under operating leases, are charged to income 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 lease asset are consumed.

2. Accounting policies (continued)

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured.

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

2.7 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2.8 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.9 Finance costs

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

2.10 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income 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 Group in independently administered funds.

2. Accounting policies (continued)

2.11 Taxation

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

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

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

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

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Accounting policies (continued)

2.12 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life, which is five 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.

Other 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.

Intangible assets consist of:

- Customer acquisition costs. Relate to direct external costs of acquiring customers via acquisition channels. The assets are amortised over the expected period the customer remains with Together Energy Limited.
- Ofgem licences. Relates to directly attributable external costs of obtaining an Ofgem license and are amortised over a period of ten years.
- Software developments. Relates to internally generated software costs to the extent that they can be recovered by future revenues and include both external purchases as well as employment costs of the development team. Amortisation is treated as an administration expense and the asset starts to be amortised when it becomes available for use, over a period of five years on a straight-line basis.

2. Accounting policies (continued)

2.13 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Fixtures and fittings	-	25% straight line
Plant and equipment	-	33% straight line
Computer equipment	-	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 the Consolidated Statement of Comprehensive Income.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Impairment of fixed assets

At each reporting 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 the recoverable amount of an asset is estimated to be less than its carrying amount, an impairment loss is recognised immediately in the statement of comprehensive income.

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

2.16 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and other short term liquid investments with original maturities of three months or less.

2.17 Renewable obligations

The group recognises a liability in respect of Renewable Obligations payable to Ofgem in respect of energy supplied to customers at the ROC buy-out price or the price at which the obligation can be settled at the year end.

2. Accounting policies (continued)

2.18 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument 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 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 and are subsequently carried at amortised cost using the effective interest. Financial assets classified as receivable within one year are not amortised.

Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost, less provision for estimated irrecoverable amounts. The provision against trade receivables are based on the ageing of the receivables and the historical payment profile of customers.

Impairment of financial assets

Financial assets, other than those held at fair value through the statement of comprehensive income, 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 the statement of comprehensive income.

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 the statement of comprehensive income.

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.

2. Accounting policies (continued)

2.18 Financial instruments (continued)

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, including creditors and loans from fellow group companies are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

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. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

2.19 Derivative financial instruments and hedging

The company uses commodity purchase contracts to hedge its exposure 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 classified them as "own use" contracts and outside the scope of FRS 102 (per FRS 102 para 12.5). This is achieved when physical delivery takes place in accordance with the company's expected usage requirements.

Commodity contracts not qualifying as "own use" which also meet the definition of a derivative are within the scope of FRS 102 as a derivative financial instrument.

Material derivatives not qualifying as "own use" are measured at fair value on the contract date and are re-measured to fair value at a subsequent reporting date. Changes on the fair value of derivatives are recognised in the income statement as they arise.

2.20 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs.

Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Consolidated Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements and estimates have had the most significant effects on amounts recognised in the financial statements.

Revenue recognition
Given the nature of the industry, there is a degree of estimation involved in the recognition of revenue. Energy sales are based on regular meter readings. Revenue recognised for the supply of electricity and gas represents the value of actual units billed to customers from the billing system, and an estimate of the value of units billed. The calculation of these estimates required judgements to be made with regards to the energy used by customers between the last meter reading and period end. These units were reconciled to those charged by the industry.

Customer debtor provisioning
The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Calculation of the bad debt provision requires judgement to be made around the recovery of debts based upon their ageing profile.

Intangible assets amortisation
Intangible assets are amortised over each individual assets useful life, however, management are of the view that the assumptions taken are on the basis of information that can change through time. Management will continue to evaluate the appropriateness of the estimates used as any new information is obtained regarding the assumptions taken in calculating the expected useful life of the intangible assets held. Management currently consider that they have taken into account the economic viability and expected future performance of the intangible assets held, and are satisfied that the estimates currently taken are appropriate.

4. Turnover

The whole of the turnover is attributable to the supply of electricity and gas.

	Period ended 31 October 2019 £	*Year ended 31 August 2018 £*
United Kingdom	**88,108,446**	*35,994,382*
	88,108,446	*35,994,382*

All turnover arose within the United Kingdom.

5. Other operating income

	Period ended 31 October 2019 £	*Year ended 31 August 2018 £*
Other operating income	211,581	-
Government grants receivable	220,000	-
	431,581	-

6. Operating loss

The operating loss is stated after charging:

	Period ended 31 October 2019 £	*Year ended 31 August 2018 £*
Depreciation of tangible fixed assets	72,481	*31,627*
Amortisation of tangible fixed assets	3,161,876	*594,358*
Other operating lease rentals	110,321	*59,695*

7. Auditor's remuneration

	Period ended 31 October 2019 £	*Year ended 31 August 2018 £*
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	75,000	*35,000*

Fees payable to the Group's auditor in respect of:

Taxation compliance services	-	*4,950*
Services relating to corporate finance transactions	41,930	-
All other services	7,200	*30,325*
	49,130	*35,275*

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 31 October 2019 £	*Group 31 August 2018 £*	**Company 31 October 2019 £**	*Company 31 August 2018 £*
Wages and salaries	**2,669,658**	*1,305,078*	**2,669,658**	*1,305,078*
Social security costs	**165,079**	*115,128*	**165,079**	*115,128*
Pension costs	**142,194**	*12,992*	**142,194**	*12,992*
	2,976,931	*1,433,198*	**2,976,931**	*1,433,198*

The average monthly number of employees, including the directors, during the period was as follows:

	Group Period ended 31 October 2019 No.	*Group Year ended 31 August 2018 No.*	**Company Period ended 31 October 2019 No.**	*Company Year ended 31 August 2018 No.*
Employees	**112**	*77*	*112*	*77*

9. Directors' remuneration

	Period ended 31 October 2019 £	*Year ended 31 August 2018 £*
Directors' emoluments	**151,667**	*122,500*

10. Interest receivable

	Period ended 31 October 2019 £	*Year ended 31 August 2018 £*
Other interest receivable	**738**	*52*

11. Interest payable and similar expenses

	Period ended 31 October 2019 £	*Year ended 31 August 2018 £*
Other interest payable	**75,142**	*267,236*
Preferred share dividends	**105,000**	-
	180,142	*267,236*

12. Taxation

	Period ended 31 October 2019 £	*Year ended 31 August 2018 £*
Corporation tax		
Current tax on profits for the year	**(402,012)**	-
Adjustments in respect of previous periods	**(446,577)**	*(38,862)*
Total current tax	**(848,589)**	*(38,862)*
Deferred tax		
Origination and reversal of timing differences	-	*3,027*
Total deferred tax	-	*3,027*
Taxation on loss on ordinary activities	**(848,589)**	*(35,835)*

12. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than *(2018 - lower than)* the standard rate of corporation tax in the UK of 19% *(2018 - 19%)*. The differences are explained below:

	Period ended 31 October 2019 £	*Year ended 31 August 2018 £*
Loss on ordinary activities before tax	(12,262,953)	*(6,898,706)*
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(2,329,961)	*(1,310,754)*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	70,537	*126,245*
Adjustments to tax charge in respect of prior periods	(446,577)	*(38,862)*
Short term timing difference leading to an increase (decrease) in taxation	14	*21,853*
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	-	*(171)*
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(172,980)	*-*
Effect of change in corporation tax rates	-	*97,592*
Deferred tax not recognised	2,030,378	*1,068,262*
Total tax charge for the period/year	(848,589)	*(35,835)*

Factors that may affect future tax charges

A deferred tax asset of £2,565,525 (2018 - £949,816) has not been recognised.

13. Intangible assets

Group

	Customer acquisition costs £	Ofgem licences £	Software development £	Goodwill £	Total £
Cost					
At 1 September 2018	2,281,333	157,333	1,203,919	332,929	3,975,514
Additions	3,897,403	-	729,153	-	4,626,556
At 31 October 2019	6,178,736	157,333	1,933,072	332,929	8,602,070
Amortisation					
At 1 September 2018	571,062	12,199	-	11,097	594,358
Charge for the year	2,793,102	20,000	271,091	77,683	3,161,876
At 31 October 2019	3,364,164	32,199	271,091	88,780	3,756,234
Net book value					
At 31 October 2019	2,814,572	125,134	1,661,981	244,149	4,845,836
At 31 August 2018	*1,710,271*	*145,134*	*1,203,919*	*321,832*	*3,381,156*

13. Intangible assets (continued)

Company

	Customer acquisition costs £	Software development £	Total £
Cost			
At 1 September 2018	2,281,333	1,203,919	3,485,252
Additions	3,897,403	729,153	4,626,556
At 31 October 2019	6,178,736	1,933,072	8,111,808
Amortisation			
At 1 September 2018	571,062	-	571,062
Charge for the year	2,793,102	271,091	3,064,193
At 31 October 2019	3,364,164	271,091	3,635,255
Net book value			
At 31 October 2019	2,814,572	1,661,981	4,476,553
At 31 August 2018	*1,710,271*	*1,203,919*	*2,914,190*

14. Tangible fixed assets

Group

	Fixtures and fittings £	Plant and equipment £	Computers £	Total £
Cost or valuation				
At 1 September 2018	5,870	58,807	116,389	181,066
Additions	5,878	3,082	53,190	62,150
At 31 October 2019	11,748	61,889	169,579	243,216
Depreciation				
At 1 September 2018	837	10,117	21,889	32,843
Charge for the period	3,328	21,560	47,593	72,481
At 31 October 2019	4,165	31,677	69,482	105,324
Net book value				
At 31 October 2019	7,583	30,212	100,097	137,892
At 31 August 2018	*5,033*	*48,690*	*94,500*	*148,223*

Company

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2018	5,870	58,807	116,389	181,066
Additions	5,878	3,082	53,190	62,150
At 31 October 2019	11,748	61,889	169,579	243,216
Depreciation				
At 1 September 2018	837	10,117	21,889	32,843
Charge for the period on owned assets	3,328	21,560	47,593	72,481
At 31 October 2019	4,165	31,677	69,482	105,324
Net book value				
At 31 October 2019	7,583	30,212	100,097	137,892
At 31 August 2018	*5,033*	*48,690*	*94,500*	*148,223*

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2018 and 31 October 2019	333,030

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Together Energy (Retail) Limited	Ordinary	100%
Together Energy Supply Limited	Ordinary	100%
Erskine Energy Solutions Limited	Ordinary	100%

Name	Profit/(Loss) £
Together Energy (Retail) Limited	-
Together Energy Supply Limited	-
Erskine Energy Solutions Limited	-

16. Debtors

	Group 31 October 2019 £	*Group 31 August 2018 £*	Company 31 October 2019 £	*Company 31 August 2018 £*
Trade debtors	14,723,945	*2,291,290*	14,723,945	*2,291,290*
Other debtors	5,581,676	*526,580*	5,581,676	*526,580*
Prepayments and accrued income	1,124,187	*802,952*	1,124,187	*24,691*
	21,429,808	*3,620,822*	21,429,808	*2,842,561*

17. Cash and cash equivalents

	Group 31 October 2019 £	*Group 31 August 2018 £*	Company 31 October 2019 £	*Company 31 August 2018 £*
Cash at bank and in hand	2,001,990	*1,816,689*	2,001,990	*1,816,689*

18. Creditors: Amounts falling due within one year

	Group 31 October 2019 £	*Group 31 August 2018 £*	Company 31 October 2019 £	*Company 31 August 2018 £*
Other loans	2,132,382	-	2,132,382	-
Trade creditors	3,975,614	*4,361,276*	1,964,270	*885,436*
Customer advances	11,759,664	*6,591,745*	11,759,664	*6,591,745*
Amounts owed to group undertakings	-	-	7,856,427	*5,932,539*
Other taxation and social security	54,156	*43,608*	54,156	*43,608*
Other creditors	647,884	*133,763*	647,884	*133,763*
Accruals and deferred income	9,628,703	*5,427,291*	3,658,588	*2,047,298*
	28,198,403	*16,557,683*	28,073,371	*15,634,389*

A floating charge is in place over the group and company in respect of security held in relation to accruals amounting to £2,310,567 (2018: £654,214) in relation to the preferred supplier agreement with the group's wholesaler.

In the event of default of the preferred supplier agreement, the wholesaler has an option to acquire the shares of Together Energy Limited.

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

	Group 31 October 2019 £	*Group 31 August 2018 £*	Company 31 October 2019 £	*Company 31 August 2018 £*
Other loans	1,867,618	-	1,867,618	-
Other creditors	105,000	-	105,000	-
Share capital treated as debt	17,249,662	-	17,249,662	-
	19,222,280	-	19,222,280	-

20. Loans

	Group 31 October 2019 £	*Group 31 August 2018 £*	**Company 31 October 2019 £**	*Company 31 August 2018 £*
Amounts falling due within one year				
Other loans	**2,132,382**	-	**2,132,382**	-
Amounts falling due 1-2 years				
Other loans	**1,867,618**	-	**1,867,618**	-
	4,000,000	-	**4,000,000**	-

Group and company

The Group and company have taken out a new loan in the year. The loan is repayable over 15 months with 11% interest charged on outstanding balances.

21. Financial instruments

	Group 31 October 2019 £	*Group 31 August 2018 £*	Company 31 October 2019 £	*Company 31 August 2018 £*
Financial assets				
Financial assets that are debt instruments measured at amortised cost	**20,305,621**	*2,817,870*	**20,305,621**	*2,817,870*
Financial liabilities				
Financial liabilities measured at amortised cost	**(47,366,527)**	*(16,514,075)*	**(47,241,495)**	*(15,590,781)*

Financial assets that are measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise loans, trade creditors, customer advances, other creditors, share capital treated as debt, amounts owed to group undertakings and accruals.

22. Share capital

	31 October 2019 £	*31 August 2018 £*
Shares classified as equity		
Allotted, called up and fully paid		
2,000 *(2018 - 2,000)* Ordinary shares of £1.000 each	2,000	*2,000*
Shares classified as debt		
Allotted, called up and fully paid		
2,000 *(2018 - nil)* Preferred shares of £8,624.831 each	17,249,662	*-*

During the year, 2,000 preferred shares of £1 each were issued fully paid for cash at £9,000. Net of transaction costs these are classified as debt at £8,624.831 per share.

The preferred shareholders are due a dividend of 7% of the amount paid for the preferred shares in respect of any financial year. At 31 October 2019 £105,000 has been accrued in respect of dividends due to preferred shareholders.

On a winding up of the company or on exit the preferred shareholders have a right to receive, in priority to any other classes of shares, a sum equal to the original price of the shares plus the accumulated dividend.

23. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs and is non distributable.

Profit and loss account

The profit and loss account represents the accumulated profits and losses of the company less distributions made to shareholders.

24. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £142,194 (2018 - £12,992). Contributions totalling £59,291 (2018 - £9,178) were payable to the fund at the reporting date and are included in creditors.

25. Commitments under operating leases

At 31 October 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 31 October 2019 £	*Group 31 August 2018 £*
Not later than 1 year	63,117	*59,965*
Later than 1 year and not later than 5 years	29,897	*56,580*
	93,014	*116,545*

26. Related party transactions

The Group has taken advantage of the exemption in Section 33.1A of FRS 102 not to disclose intercompany transactions. Intercompany balances are disclosed in the debtors and creditors note.

Key management personnel
The remuneration of key management personnel in the period was £171,405 (2018 - £257,356). In addition, consultancy fees totalling £nil (2018 - £137,722) were paid to key management personnel in the period.

Other related parties
During the period the Group incurred a cost of £574,034 (2018 - £1,308,629) to a shareholder in relation to the software development.

During the period the Group was advanced a loan of £4,000,000 from a shareholder which accrues interest at 11%.

27. Controlling party

The ultimate controlling parties are Paul Richards and Warrington Borough Council.