

# Our Power Energy Supply Limited

Directors' Report and Financial Statements

For the year ended 31 December 2017

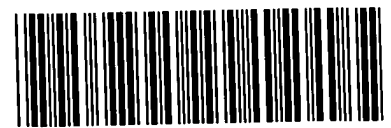
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Registered Number: 09134997

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25 JUN 2018  
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# Our Power Energy Supply Limited

Report and financial statements  
for the year ended 31 December 2017

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# Our Power Energy Supply Limited

## Report and financial statements for the year ended 31 December 2017

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### Company Information

#### Statutory Information

Our Power Energy Supply Limited is a company domiciled in England and Wales, registration number 09134997. The registered office is 6<sup>th</sup> Floor, One London Wall, EC2Y 5EB and its principal place of business is at 4 Hay Avenue, Edinburgh, EH16 4AQ.

#### Directors

The directors who held office during the year and up to the date of signing of the financial statements are:

Dawn Muspratt  
Laurence Charles Barrett (Resigned 27 September 2017)  
Jack Marshall  
Colin William Reid  
William Alister Steele  
Prince Albert Tucker  
Andrew Riley  
Nareen Owens (Appointed 14 June 2017, Resigned 18 July 2017)  
Kay Catherine Anderson (Appointed 14 June 2017)  
Karthik Subramanya (Appointed 27 September 2017)

Company secretary: Dawn Muspratt

#### Auditor

RSM UK Audit LLP  
First Floor, Quay 2,  
139 Fountainbridge,  
Edinburgh,  
EH3 9QG

#### Bankers

The Royal Bank of Scotland  
36 St Andrew Square,  
Edinburgh,  
EH2 2AD

#### Lawyers

Osborne Clarke LLP  
One London Wall,  
London,  
EC2Y 5EB

Harper Macleod  
The Ca'd'oro  
45 Gordon Street  
Glasgow  
G1 3PE

# Our Power Energy Supply Limited

Report and financial statements  
for the year ended 31 December 2017

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## Statement of Directors' Responsibilities

### Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Our Power Energy Supply Limited

Report and financial statements  
for the year ended 31 December 2017

## Statement of Financial Position

As at 31 December 2017

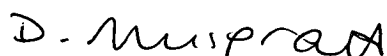
Company number: 09134997

		31 December 2017 £'000	31 December 2016 £'000
	Note		
<b>Fixed assets</b>			
Tangible Assets	4	<u>80</u>	<u>41</u>
		80	41
<b>Current assets</b>			
Debtors	5	2,974	656
Cash at bank and in hand		<u>3,260</u>	<u>542</u>
		6,234	1,198
<b>Creditors: amounts falling due within one year</b>	6	<u>(3,353)</u>	<u>(406)</u>
		2,881	792
<b>Net current assets</b>			
		<u>2,961</u>	<u>833</u>
<b>Total assets less current liabilities</b>			
<b>Creditors: amounts falling due after more than one year</b>	7,8	<u>(11,496)</u>	<u>(3,902)</u>
<b>Net liabilities</b>		<u>(8,535)</u>	<u>(3,069)</u>
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Profit and loss account		<u>(8,535)</u>	<u>(3,069)</u>
<b>Shareholders' deficiency of funds</b>		<u>(8,535)</u>	<u>(3,069)</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

The financial statements have been prepared in accordance with the small companies regime and were approved by the Board of Directors and authorised for issue on 20<sup>th</sup> June 2018.

Signed on behalf of the board of directors



Dawn Muspratt

Director

20<sup>th</sup> June 2018

The notes on pages 5 to 12 form part of these financial statements.

# Our Power Energy Supply Limited

Notes forming part of the financial statements  
for the year ended 31 December 2017

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## Notes forming part of the financial statements

### 1. Accounting Policies

#### Company information

Our Power Energy Supply Limited is a private company limited by shares incorporated in England and Wales, registration number 09134997. The registered office is 6th Floor, One London Wall, EC2Y 5EB and its principal place of business is at 4 Hay Avenue, Edinburgh, EH16 4AQ.

The financial statements have been prepared in accordance with FRS 102 s1A, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS102 have been applied other than where additional information is required to show a true and fair view.

The Company is a member of a group headed by Our Power Community Benefit Society Limited (RS007058), a registered Society that meets the definition of a Public Benefit Entity.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise stated.

#### Going Concern

The financial statements have been prepared on a going concern basis. The company incurred trading losses of £4,951k for the year ended 31 December 2017 (2016: losses of £1,874k). The company has net liabilities of £8,535k (2016: net liabilities of £3,069k).

After careful consideration of forecast cash flows and expected trading performance, the Directors believe that the company requires further funding in the region of £7m in order to be able to meet its liabilities as they fall due, for a period of at least 12 months from the date of approval of these financial statements. Whilst the Directors are currently in discussions with a number of potential new investors as well as their current lenders and stakeholders in order to raise additional financing, there is no guarantee at present that this will be obtained. The company has a strong track record of sourcing funding and the Directors are working through significant cost saving and cashflow management plans to assist in actively managing the day to day cash of the company. The Directors have therefore concluded that it is appropriate to adopt the going concern basis for the preparation of these financial statements.

#### Income Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

For energy supply, revenue is recognised on the basis of electricity and gas supplied during the period. For those customers awaiting a bill an estimate is made of the sales value of units and terms supplied between the last bill period date and balance sheet date. Any unbilled amounts are included in trade debtors to the extent they are considered recoverable.

# Our Power Energy Supply Limited

Notes forming part of the financial statements  
for the year ended 31 December 2017 (*continued*)

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## 1. Accounting Policies (*continued*)

### Property, plant and equipment – depreciation

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

Depreciation is provided on all tangible fixed assets, so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Fixtures, fittings, tools and equipment	3-5 years
Computers	3 years

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

### Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

### Financial Instruments

The company 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 when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 trade and other 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 method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

# Our Power Energy Supply Limited

Notes forming part of the financial statements  
for the year ended 31 December 2017 (*continued*)

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## 1. Accounting Policies (*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 company after deducting all of its liabilities.

### ***Basic Financial Liabilities***

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies 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.

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

### **Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate 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.

### **Current and deferred taxation**

The tax expense for the period comprises the sum of the current and deferred tax expense.

Current tax is based on the taxable profit in the year. Taxable profit differs from the total income because it excludes items of income and expenditure that are taxable or deductible in other periods.

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

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

- 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the company can control their reversal and such reversal is not considered probable in the foreseeable future.



# Our Power Energy Supply Limited

Notes forming part of the financial statements  
for the year ended 31 December 2017 (*continued*)

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## 1. Accounting Policies (*continued*)

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered by reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the company's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

No indicators of impairment were identified as at the date of these financial statements or as at the date of Directors' approval of these financial statements.

### Other key sources of estimation uncertainty

- **Income recognition**

The nature of the energy supply industry that the company operates in is such that revenue recognition is subject to a degree of estimation. Calculation of revenue generated from gas and electricity supply include an estimate of the value of electricity and gas supplied to the customer based on data provided by the industry. This will include estimated annual consumption values applied in both electricity and gas industries.

- **Deferred tax asset**

The recognition of deferred tax assets, particularly in relation to losses carried forward, requires judgment as to the future profitability of the Company or profits generated elsewhere in the consolidated group headed by Our Power Community Benefit Society Limited, the ultimate controlling party of the Company and group.

# Our Power Energy Supply Limited

Notes forming part of the financial statements  
for the year ended 31 December 2017 *(continued)*

## 3. Employees

The average monthly number of employees during the year was made up as follows:

By activity:	2017	2016
Operations	21	9
Administration	12	4
	12	4

## 4. Tangible fixed assets

	Fixtures, fittings, tools and equipment £'000	Total £'000
<b><i>Cost or valuation</i></b>		
As at 1 January 2017	54	54
Additions	63	63
Disposals	(1)	(1)
<b>At 31 December 2017</b>	<b>116</b>	<b>116</b>
<b><i>Depreciation</i></b>		
As at 1 January 2017	13	13
Provided during the year	24	24
Disposals	(1)	(1)
<b>At 31 December 2017</b>	<b>36</b>	<b>36</b>
Carrying amount		
<b>At 31 December 2017</b>	<b>80</b>	<b>80</b>
At 31 December 2016	41	41

No tangible fixed assets as at 31 December 2017 are held under finance leases or hire purchase contracts (2016: none)

## 5. Debtors

	2017 £'000	2016 £'000
Trade Debtors	729	12
Amounts owed by Group undertakings	450	83
Other debtors	509	103
Prepayments and accrued income	1,286	458
	<b>2,974</b>	<b>656</b>

Amounts owed by Group undertakings consist of trading and working capital transactions in the year. Interest is not chargeable as the full balance is payable on demand.

# Our Power Energy Supply Limited

Notes forming part of the financial statements  
for the year ended 31 December 2017 (continued)

## 6. Creditors: amounts falling due within one year

	2017	2016
	£'000	£'000
Trade Creditors	1,117	75
Taxation and social security	38	14
Accruals and deferred income	1,869	317
Loan owed to Our Power Community Benefit Society Limited (Note 8)	329	-
	<b>3,353</b>	<b>406</b>

## 7. Creditors: amounts falling after more than one year

	2017	2016
	£'000	£'000
Loan owed to Our Power Community Benefit Society Limited (Note 8)	11,496	3,902
	<b>11,496</b>	<b>3,902</b>

## 8. Loans

Loans repayable, included within creditors, are analysed as follows:

	2017	2016
	£'000	£'000
Due within one year	329	-
In more than one year but not more than two years	373	255
In more than two years but not more than five years	4,646	1,453
More than five years	6,477	2,194
	<b>11,825</b>	<b>3,902</b>

During the period, the company borrowed funds from Our Power Community Benefit Society Limited over separate loan facilities that reflected market rates at the time of drawdown.

Loan facilities	Principal Drawdown	Accrued interest	Amortised cost adjustment	Total
	2017	2017	2017	2017
	£'000	£'000	£'000	£'000
Group undertakings:				
Interest bearing loan	11,189	463	-	11,652
Interest-free loan	180	-	(7)	173
	<b>11,369</b>	<b>463</b>	<b>(7)</b>	<b>11,825</b>

The Group interest-free loan was entered into during a previous period for £180,000 over a 3 year term. The contractually agreed interest rate is 0% and has been recognised within the financial statements at a determined market interest rate of 6%, which resulted in a net interest payable of £10,000 in the year (2016: interest payable of £9,000), the loan is due to be repaid December 2018.

# Our Power Energy Supply Limited

Notes forming part of the financial statements  
for the year ended 31 December 2017 (continued)

## 9. Share capital

	2017	2016
<b>Allotted, called up and fully paid</b>	<b>£</b>	<b>£</b>
1 ordinary share of £1	<u>1</u>	<u>1</u>
	<b>2017</b>	<b>2016</b>
<b>Ordinary shares of £1 each in issue</b>	<b>Number</b>	<b>£</b>
At 1 January 2016	<u>1</u>	<u>1</u>
<b>At 31 December 2016</b>	<u><b>1</b></u>	<u><b>1</b></u>

## 10. Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases for plant and machinery are as follows:

Amounts due:	2017	2016
	£'000	£'000
Within one year	17	23
Between one and five years	<u>-</u>	<u>11</u>
	<u><b>17</b></u>	<u><b>34</b></u>

## 11. Related party transactions

The parent entity Our Power (Energy) Limited holds 100% of the share capital in the Company. The ultimate controlling party of the group is Our Power Community Benefit Society Limited (registered address 4 Hay Avenue, Edinburgh, EH16 4AQ).

Transactions between the company and its related parties are:

	Other 2017 £'000	Other 2016 £'000
Recharges in the year	<u>-</u>	<u>-</u>
Owed by related parties at 31 December	<u>11</u>	<u>4</u>

# Our Power Energy Supply Limited

Notes forming part of the financial statements  
for the year ended 31 December 2017 (*continued*)

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## 12. Ultimate controlling party

Our Power Community Benefit Society Limited is the ultimate controlling party of the Company. These financial statements of the Company, which are publicly available at Companies House, are included in the group consolidated financial statements headed by Our Power Community Benefit Society Limited, which are publicly available from the FCA. Our Power Community Benefit Society is a company registered in Scotland, registered office is at 4 Hay Avenue, Edinburgh, EH16 4AQ.

## 13. Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified and included a separate section under the heading "Material Uncertainty Related to Going Concern" as follows:

### Material uncertainty related to going concern

We draw attention to the going concern accounting policy as set out on page 10 in the financial statements, which indicates that the Company incurred an operating loss of £4,951k during the year ended December 31, 2017 and, as of that date, the Company's current liabilities exceeded its total assets by £8,535k. As stated on page 10, these events or conditions, along with the need for additional funding in the region of £7m to allow the company to continue to operate for a minimum of 12 months from the date of approval of these financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The senior statutory auditor was I ALEXANDER L TAIT and the auditor was RSM UK Audit LLP.