

Our Power Energy Supply Limited

Directors' Report and Financial Statements

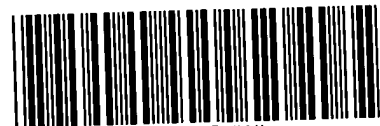
For the year ended 31 December 2016

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Our Power Energy Supply Limited

Report and financial statements
for the year ended 31 December 2016

Contents

Company Information	2
Statement of Directors' Responsibilities	3
Statement of Financial Position	4
Notes forming part of the financial statements	5

Our Power Energy Supply Limited

Report and financial statements for the year ended 31 December 2016

Company Information

Statutory Information

Our Power Energy Supply Limited is a company domiciled 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.

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 Barratt
Graeme Alexander Bruce – resigned 16 April 2016
Jack Marshall
Colin William Reid – resigned 23 March 2016
William Alister Steele
Prince Albert Tucker
Andrew Riley – appointed 29 April 2016

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 2016

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 2016

Statement of Financial Position

As at 31 December 2016


Company number: 09134997

		31 December 2016 £'000	31 December 2015 £'000
	Note		
Fixed assets			
Tangible Assets	4	<u>41</u>	<u>23</u>
		41	23
Current assets			
Debtors	5	656	1,083
Cash at bank and in hand		<u>542</u>	-
		1,198	1,083
Creditors: amounts falling due within one year	6	<u>(406)</u>	<u>(89)</u>
Net current assets		<u>792</u>	<u>994</u>
Total assets less current liabilities		<u>833</u>	<u>1,017</u>
Creditors: amounts falling due after more than one year	7,8	<u>(3,902)</u>	<u>(1,930)</u>
Net liabilities		<u>(3,069)</u>	<u>(913)</u>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		<u>(3,069)</u>	<u>(913)</u>
Shareholders' deficiency of funds		<u>(3,069)</u>	<u>(913)</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 11 May 2017.

Signed on behalf of the board of directors



Dawn Muspratt
Director
11 May 2017

The notes on pages 5 to 11 form part of these financial statements.

Our Power Energy Supply Limited

Notes forming part of the financial statements
for the year ended 31 December 2016

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 Directors are satisfied that funding has been committed and, therefore, the financial statements have been prepared on a going concern basis using the historical cost convention unless explicitly stated otherwise in the accounting policies below.

The Company is a member of group of companies 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.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

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.

The company reported no turnover in the period to 31 December 2015 due to trading activities commencing in January 2016.

Our Power Energy Supply Limited

Notes forming part of the financial statements
for the year ended 31 December 2016 (*continued*)

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 2016 (*continued*)

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 2016 (*continued*)

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 2016 (*continued*)

3. Employees

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

By activity:	2016	2015
Operations	9	-
Administration	4	2
	4	2

4. Tangible fixed assets

	Fixtures, fittings, tools and equipment £'000	Total £'000
<i>Cost or valuation</i>		
As at 1 January 2016	24	24
Additions	30	30
At 31 December 2016	54	54
<i>Depreciation</i>		
As at 1 January 2016	1	1
Provided during the year	12	12
At 31 December 2016	13	13
Carrying amount		
At 31 December 2016	41	41
At 31 December 2015	23	23

No tangible fixed assets as at 31 December 2016 are held under finance leases or hire purchase contracts (2015: none)

5. Debtors

	2016 £'000	2015 £'000
Trade Debtors	12	-
Amounts owed by Group undertakings	83	786
Other debtors	103	24
Prepayments and accrued income	458	273
	656	1,083

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 2016 *(continued)*

6. Creditors: amounts falling due within one year

	2016	2015
	£'000	£'000
Trade Creditors	75	16
Taxation and social security	14	8
Accruals and deferred income	317	65
	406	89

7. Creditors: amounts falling after more than one year

	2016	2015
	£'000	£'000
Loan owed to Our Power Community Benefit Society Limited (Note 8)	3,902	1,930
	3,902	1,930

8. Loans

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

	2016	2015
	£'000	£'000
Due within one year	-	-
In more than one year but not more than two years	255	-
In more than two years but not more than five years	1,453	154
More than five years	2,194	1,776
	3,902	1,930

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
	2016	2016	2016	2016
	£'000	£'000	£'000	£'000
Group undertakings:				
Interest bearing loan	3,500	239	-	3,739
Interest-free loan	180	-	(17)	163
	3,680	239	(17)	3,902

The Group interest-free loan was entered into during the 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 £9,000 in the year (2015: net interest receivable of £26,000).

Our Power Energy Supply Limited

Notes forming part of the financial statements
for the year ended 31 December 2016 (continued)

9. Share capital

	2016	2015
Allotted, called up and fully paid	£	£
1 ordinary share of £1	<u>1</u>	<u>1</u>
Ordinary shares of £1 each in issue	2016	2016
	Number	£
At 1 January 2016	<u>1</u>	<u>1</u>
At 31 December 2016	<u>1</u>	<u>1</u>

10. Commitments under operating leases

The company had no commitments under non-cancellable operating leases as at balance sheet date.

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	Other
	2016	2015
	£'000	£'000
Recharges in the year	<u>-</u>	<u>4</u>
Owed by related parties at 31 December	<u>4</u>	<u>4</u>

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.

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.
The senior statutory auditor was I Alexander L Tait.
The auditor was RSM UK Audit LLP.