

Our Power Energy Supply Limited

(Formerly Rhodium Energy Supply Limited)

Report and Financial Statements

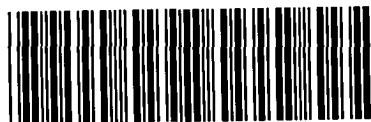
For the Period from 17 July 2014 to

31 December 2015

Company Number 09134997



FRIDAY



S54XKBZ4

SCT

15/04/2016

#77

COMPANIES HOUSE

Our Power Energy Supply Limited

Report and financial statements
for the period ended 31 December 2015

Contents

Page:

1	Company Information
2	Strategic Report
4	Directors' Report
5	Statement of Directors' Responsibilities
6	Independent Auditor's Report
8	Statement of Income and Retained Earnings
9	Statement of Financial Position
10	Statement of Cash Flows
11	Notes forming part of the financial statements

Our Power Energy Supply Limited

Company Information for the period from 17 July 2014 to 31 December 2015

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 of the company during the period were:

Matthew Christopher Hirst	(Appointed 17 July 2014 & Resigned 8 July 2015)
Steven Paul Gosling	(Appointed 17 July 2014 & Resigned 8 July 2015)
Dawn Muspratt	(Appointed 8 July 2015)
Laurence Charles Barratt	(Appointed 10 September 2015)
Graeme Alexander Bruce	(Appointed 21 September 2015)
Jack Marshall	(Appointed 10 September 2015)
Colin William Reid	(Appointed 21 September 2015)
William Alister Steele	(Appointed 8 July 2015)
Prince Albert Tucker	(Appointed 10 September 2015)
Carron Ann Garmory	(Appointed 8 July 2015 & Resigned 21 September 2015)

Auditors

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

Bank

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

Lawyers

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

BTO Solicitors LLP
48 St Vincent Street,
Glasgow,
G2 5HS

Our Power Energy Supply Limited

Strategic report
for the period from 17 July 2014 to 31 December 2015

Strategic Report

The directors present their Strategic and Director report and the financial statement for the period from 17 July 2014 to 31 December 2015. The Directors who served during the year and up to the date of this report are set out on page 1.

Review of the business

Structure, governance and management

Our Power Energy Supply Limited is a company limited by shares. The share is held by Our Power (Energy) Limited, a wholly owned subsidiary of Our Power Community Benefit Society Limited, which is a company registered through the Financial Conduct Authority which is asset locked and not for profit. The company is currently governed by a set of model articles for private companies limited by shares and these will be tailored to the business during 2016.

Our Power Energy Supply Limited, previously Rhodium Energy Supply Limited, which was incorporated on 17 July 2014 and registered in England (09134997) changed its name on 16 July 2015. The company was acquired by the Our Power Community Benefit Society group on 8 July 2015 and commercial activity from January 2016.

The company is led by Dawn Muspratt, Founding Chief Executive and supported by an executive team of 3. The CEO also holds a place on the Board. Director company detail is reported in Company Information on page 1.

Objectives and activities

Our Power Energy Supply Limited is a fully licensed electricity and gas supplier and during the period of these accounts the company was in a start-up phase with operational delivery starting in January 2016.

The objectives of Our Power Energy Supply Limited are that it:

- Operates as a financially sustainable and scalable business;
- Offers a simple, affordable, transparent and fair pricing structure that does not penalise low-income consumers regardless of payment method;
- Delivers fantastic and friendly customer service in a manner that primarily focuses on the needs of the customer;
- Prioritises prepayment meter customers through use of smart meter technology to offer pay-as-you-go;
- Promotes and supports the efficient use of energy using technology to bring additional customer and business benefits.

Achievements during the accounting period

During the period from 17 July 2014 to 31 December 2015, Our Power Energy Supply Limited was in start-up phase, acquiring premises, recruiting staff, putting contracts for operational delivery in place and setting up systems to ensure delivery of the business plan going forward. This was achieved by December 2015 and operational delivery commenced in January 2016 and controlled market entry, which is a requirement for new participants to the electricity market, commenced.

Financial Overview

The accounts for the period to 31 December 2015 reported a company loss of £913,000 before taxation.

This loss was in line with directors' expectations that reflected the start-up phase of the company prior to operational delivery commencing in 2016. The Company is now well positioned to deliver the directors' future plans.

The directors will formally identify and monitor key performance indicators post year end against the business plan as part of the company's controlled market entry. The directors will measure performance towards achieving 12,000 customers, 21,000 meter points, of which 15,000 are smart meter new installs and 70% of all meters are prepaid meters by December 2016.

Our Power Energy Supply Limited

Strategic report
for the period from 17 July 2014 to 31 December 2015 (*continued*)

Plans for the Future

Our Power Energy Supply Limited has an ambitious growth strategy with an aim of acquiring 21,000 meter points across both gas and electricity by the end of December 2016.

To achieve this aim further staff recruitment will take place to ensure delivery of excellent customer service.

Our Power Energy Supply Limited's business model is predicated on the installation of smart meters and during 2016 it will install in the region of 15,000 smart meters within its customer base.

As well as growing the customer base a key aim is to tackle fuel poverty and Our Power Energy Supply Limited will continue to innovate to find solutions to reduce customers' fuel bills.

Principal risks and uncertainties

The principal risks and uncertainties facing the company can be broadly grouped as:

- Funding
- Competition
- Customer Acquisition
- Members Engagement
- Systems

Funding

The company and its ultimate parent company (Our Power Community Benefit Society Limited) has obtained funding from external funders to finance the company's growth and continues to engage with interested parties for further funding opportunities to support the directors' future plans.

Competition

The energy sector in the United Kingdom includes major established international energy suppliers and in recent times new entrants have increased the competition in the market. The directors consider the company well placed to deliver on its future plans to secure increased customers as a result of prioritising on the objectives set out above.

Customer Acquisition

In start-up and growth customer acquisition is key to success and the directors are confident that the model is attractive and the customer base is available to deliver on the business plan.

Members Engagement

Our Power Community Benefit Society Limited's Members are key to our proposition and the directors are confident that by delivering on the business plan an excellent service and a positive relationship with our members will be developed.

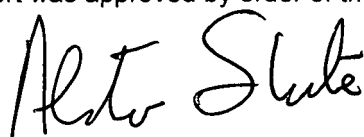
Systems

As a new company implementing new systems for processes the directors are confident these are fit for purpose and will allow the company to accommodate growth at scale.

Approval

This Strategic Report was approved by order of the Board on 15th April 2016

Alister Steele
Director



Our Power Energy Supply Limited

Directors' Report for the period from 17 July 2014 to 31 December 2015

Directors

The Directors who were in place during the period are set out on page 1.

Strategic Report

The Strategic Report on pages 2 and 3 is consistent with the directors' disclosure requirements set out in The Companies Act 2006 for a small private company. The report covers the following sections:

- Structure, governance and management
- Objectives and activities
- Achievements during the accounting period
- Financial Overview
- Future developments
- Principal risks and uncertainties

Existence of branches of the company outside of the United Kingdom

The company has no branches outside of the United Kingdom.

Employment of disabled persons

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training and promotion of disabled employees to ensure that their career development is not unfairly restricted by their disability, or perceptions of it.

The company's HR procedures make clear that full and fair consideration must be given to applications made by and the promotion of disabled persons. Where an employee becomes disabled whilst employed by the company, the HR procedures also require that reasonable effort is made to ensure they have the opportunity for continued employment within the company. Retraining of employees who become disabled whilst employed by the company is offered where appropriate.

Auditors

All of the directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the company's auditor is unaware.

Approval

This Directors' Report was approved by order of the Board on 15th April 2016

Alister Steele
Director



Our Power Energy Supply Limited

Statement of directors' responsibilities

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the company 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

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OUR POWER ENERGY SUPPLY LIMITED

We have audited the financial statements on pages 8 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom - Generally Accepted Accounting Practice) FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its 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.

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 on page 11 to the financial statements concerning the company's ability to continue as a going concern. To meet the business plan and continue as a viable business second stage funding, in the region of £1m to £3m, will need to be agreed and in place by December 2016. Until formal terms are agreed there can be no certainty that sufficient funds will be available. This together with other matters disclosed on page 11 indicates the existence of a material uncertainty which may cast significant doubt over the ability of the company to continue as a going concern. The financial statements do not contain the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

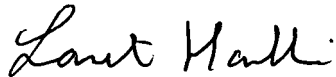
Our Power Energy Supply Limited

Independent auditor's report *(continued)*

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OUR POWER ENERGY SUPPLY LIMITED *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you.



JANET HAMBLIN (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
First Floor, Quay 2,
139 Fountainbridge,
Edinburgh,
EH3 9QG
15 April 2016

15 April 2016

Our Power Energy Supply Limited

Statement of Income and Retained Earnings for the period from 17 July 2014 to 31 December 2015

	Note	17 July 2014 to 31 December 2015 £'000
Administrative expenses		(748)
Operating costs		(139)
Operating loss	3	(887)
Interest receivable and similar income	6	26
Interest payable and similar charges	7	(52)
Loss on ordinary activities before taxation		(913)
Taxation on loss on ordinary activities	8	-
Loss for the financial year		(913)
Retained Earnings at 17 July 2014		-
Retained Earnings at 31 December 2015		(913)

The notes on page 11 to 21 form part of these financial statements.

Our Power Energy Supply Limited

Statement of Financial Position at 31 December 2015

<i>Company number: 09134997</i>	Note	2015 £'000
Fixed assets		
Tangible assets	9	23
		<u>23</u>
Current assets		
Debtors	10	1,083
Creditors: amounts falling due within one year	11	(89)
		<u>994</u>
Net current assets		
		<u>1,017</u>
Total assets less current liabilities		
		<u>(1,930)</u>
Creditors: amounts falling due after more than one year	12	
		<u>(913)</u>
Net liabilities		
		<u>(913)</u>
Capital and Reserves		
Called up share capital	14	-
Profit and loss account		(913)
		<u>(913)</u>
Shareholders' funds		
		<u>(913)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 15th April 2016.

Signed on behalf of the board of directors



Dawn Muspratt
Director
15th April 2016

The notes on page 11 to 21 form part of these financial statements.

Our Power Energy Supply Limited

Statement of cash flows for the period from 17 July 2014 to 31 December 2015

	Note	2015 £'000
Cash flows from operating activities		
Loss for the financial period		(913)
Adjustments for:		
Depreciation and amortisation of fixed assets	3/9	1
Net interest payable/(receivable)	7	26
Taxation expense	8	-
(Increase) in trade and other debtors		(1,083)
Increase in trade creditors		89
Cash outflow from operations		<u>(1,880)</u>
Interest paid		-
Taxation paid		-
Net cash used in operating activities		<u>(1,880)</u>
Cash outflow from investing activities		
Purchases of tangible fixed assets	9	(24)
Net cash used in investing activities		<u>(24)</u>
Cash inflow from financing activities		
New bank loans	12	1,904
Net cash from financing activities		<u>1,904</u>
Net increase/(decrease) in cash and cash equivalents		-
Cash and cash equivalents at beginning of year		-
Cash and cash equivalents at end of year		<u><u>-</u></u>

The notes on page 11 to 21 form part of these financial statements.

Our Power Energy Supply Limited

Notes forming part of the financial statements for the period from 17 July 2014 to 31 December 2015

1 Accounting policies

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The financial statements have been prepared on the historical cost basis unless explicitly stated otherwise in the accounting policies below.

These are the first financial statements of the company and cover the period from incorporation 17th July 2014 to period end 31 December 2015. As these are the first financial statements of the company, no comparative figures are provided. 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.

Going Concern

The company is a newly formed company which secured £3.5m funding for start-up and the first year of trading to December 2016. To meet the business plan and continue as a viable business second stage funding, in the region of £1m to £3m, will need to be agreed and in place by December 2016. A number of positive discussions are underway in relation to future funding including one possible funder who has instructed due diligence to be undertaken at the date these financial statements were approved. While there is uncertainty over sufficient funds being available until formal terms have been made, the directors anticipate that sufficient second stage funding will be raised to allow the business to deliver on the business plan.

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.

Property, plant and equipment – depreciation and amortisation

Tangible fixed assets, other than investment properties, are stated at historical cost less accumulated depreciation and any 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.

Our Power Energy Supply Limited

Notes forming part of the financial statements for the period from 17 July 2014 to 31 December 2015 (continued)

1 Accounting policies (continued)

Property, plant and equipment – depreciation and amortisation (continued)

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation

Land is not depreciated. Depreciation on other assets is charged 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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, 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 within 'other operating income' in the statement of comprehensive income.

Impairment of fixed assets and goodwill

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 liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

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.

Our Power Energy Supply Limited

Notes forming part of the financial statements
for the period from 17 July 2014 to 31 December 2015 (*continued*)

1 Accounting policies (*continued*)

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.

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.

Our Power Energy Supply Limited

Notes forming part of the financial statements
for the period from 17 July 2014 to 31 December 2015 (*continued*)

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

- *Going Concern*

The company is a newly formed company which secured £3.5m funding for start-up and the first year of trading to December 2016. To meet the business plan and continue as a viable business second stage funding, in the region of £1m to £3m, will need to be agreed and in place by December 2016. A number of positive discussions are underway in relation to future funding including one possible funder who has instructed due diligence to be undertaken at the date these financial statements were approved. While there is uncertainty over sufficient funds being available until formal terms have been made, the directors anticipate that sufficient second stage funding will be raised to allow the business to deliver on the business plan.

The directors therefore have prepared the accounts on a going concern basis.

- *Tangible fixed assets (see note 9)*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Deferred tax asset (see note 13)*

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 period from 17 July 2014 to 31 December 2015 (continued)

3 Operating loss

	2015 £'000
This is arrived at after charging/(crediting):	
Depreciation and Amortisation of intangible assets, including goodwill	1
Auditor's remuneration: Fees payable to the company's auditor for the audit of the company's annual accounts	5
Taxation fees	1
	<u>1</u>

4 Employees

	2015 £'000
Staff costs (including directors) for the period from 8 July 2015 to 31 December 2015 consist of:	
Wages and salaries	37
Social security costs	4
	<u>41</u>

The average number of employees (including directors) during the period from 8
July 2015 to 31 December 2015 was as follows:

	2015 Number
Administration	2
	<u>2</u>

5 Directors' remuneration

The directors did not receive any remuneration for the services they provide to the Company during the period. Within administration expenses there is a recharge in relation to Management time from Our Power Community Benefit Society Limited.

6 Interest receivable and similar income

	2015 £'000
Interest receivable from Group Undertakings	26
	<u>26</u>

The Company entered into an interest-free loan for £180,000 over a 3 year term with Our Power Community Benefit Society Limited. A net interest receivable of £26,000 resulted after measuring the loan based on an amortised cost calculated using a market rate of 6% (Note 12).

Our Power Energy Supply Limited

Notes forming part of the financial statements
for the period from 17 July 2014 to 31 December 2015 (*continued*)

7 Interest payable and similar charges

2015
£'000

Interest owed to Group undertakings 52

During the period the Company borrowed funds from its ultimate parent company at agreed interest rates (Note 12). Interest is not chargeable on transactional and working capital movements as these amounts are payable on demand.

8 Taxation on loss on ordinary activities

2015
£'000

UK corporation tax
Current tax on losses for the period -

Total current tax -

Deferred tax
Origination and reversal of timing differences -
Changes to tax rates -

Taxation on loss on ordinary activities -

The tax assessed for the period is higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

2015
£'000

Loss on ordinary activities before tax (913)

Loss on ordinary activities at the standard rate of
corporation tax in the UK of 20% (183)

Effects of:
Expenses not deductible for tax purposes 1
Losses arising in the period not relievable against current tax 182

Total tax charge for period -

The aggregate current and deferred tax relating to items recognised in other comprehensive income is a charge of £nil.

For further information on deferred tax balances see note 13. The Company has provided against the deferred tax asset recognised for £182,000 until sufficient forecasted profits are more certain.

Our Power Energy Supply Limited

Notes forming part of the financial statements
for the period from 17 July 2014 to 31 December 2015 (*continued*)

9 Tangible fixed assets

	Fixtures, fittings, tools and equipment £'000	Total £'000
<i>Cost or valuation</i>		
As at incorporation date 17 July 2014	-	-
Additions	24	24
	<hr/>	<hr/>
At 31 December 2015	24	24
	<hr/>	<hr/>
<i>Depreciation</i>		
As at incorporation date 17 July 2014	-	-
Provision for period	1	1
	<hr/>	<hr/>
At 31 December 2015	1	1
	<hr/>	<hr/>
<i>Net book value</i>		
At 31 December 2015	23	23
	<hr/>	<hr/>

No tangible assets as at 31 December 2015 are held under finance leases or hire purchase contracts.

Our Power Energy Supply Limited

Notes forming part of the financial statements
for the period from 17 July 2014 to 31 December 2015 (*continued*)

10 Debtors

	2015 £'000
Amounts owed by group undertakings	786
Other debtors	24
Prepayments and accrued income	273
	<hr/>
	1,083
	<hr/> <hr/>

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

11 Creditors: amounts falling due within one year

	Company 2015 £'000
Trade creditors	16
Taxation and social security	8
Accruals and deferred income	65
	<hr/>
	89
	<hr/> <hr/>

Our Power Energy Supply Limited

Notes forming part of the financial statements
for the period from 17 July 2014 to 31 December 2015 (continued)

12 Creditors: amounts falling due after more than one year

	2015 £'000
Loan owed to Our Power Community Benefit Society Limited	1,930
	1,930

The maturity of sources of debt finance are as follows:

	Loans and overdrafts 2015 £'000	Total 2015 £'000
In one year or less, or on demand	-	-
In more than one year but not more than two years	-	-
In more than two years but not more than five years	154	154
More than five years	1,776	1,776
	1,930	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 2015 £'000	Accrued Interest 2015 £'000	Amortised cost adjustment 2015 £'000	Company 2015 £'000
Group undertakings interest-bearing loan	1,724	52	-	1,776
Group undertakings interest-free loan	180	-	(26)	154
	1,904	52	(26)	1,930

Group interest-bearing loans' repayment profiles commences from the start of the 4th year of the 8 year term. Interest from inception is compounded at the agreed loan agreement interest rates of 8% and 12% per annum respectively.

The Group interest-free loan was entered into during the period for £180,000 over a 3 year term. The agreed contractually 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 receivable of £26,000 in the period.

Our Power Energy Supply Limited

Notes forming part of the financial statements
for the period from 17 July 2014 to 31 December 2015 (continued)

12 Creditors: amounts falling due after more than one year (continued)

Financial Instruments

The carrying amount of the Company's financial instruments at 31 December 2015 were:

	2015 £'000
Financial liabilities	
Debt instruments measured at amortised cost	154
	<hr/>
Total	154
	<hr/>

13 Deferred taxation

Deferred tax assets

	2015 £'000
Tax losses carried forwards	182
Provision	(182)
	<hr/>
Deferred tax recognised	-
	<hr/>

The recognition of deferred tax assets requires considerable judgment as the future profitability of the Company. Due to the start-up phase of the Company it is not recognised until the timing of having sufficient forecast profits to enable recognition of this asset on the balance sheet is more certain.

At the date of these financial statements, the deferred tax asset has been measured using enacted tax rates as part of the Finance Bill 2013 that reduced the main rate of UK Corporation tax rate to 20% for periods from 1 April 2015, less the provision recognised in the period.

Our Power Energy Supply Limited

**Notes forming part of the financial statements
for the period from 17 July 2014 to 31 December 2015 (continued)**

14 Share capital

		2015 £
<i>Allotted, called up and fully paid</i> 1 ordinary share of £1		1
		1
	Ordinary shares of £1 each	
	Number	£
In issue at incorporation on 17 July 2014	1	1
	1	1
In issue at 31 December 2015	1	1
	1	1

15 Commitments under operating leases

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

16 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.

Vital Spark Incubation Limited has been identified as a related party due to 4 company directors present on the board of Vital Spark Incubation Limited during the period from 17 July 2014 to 31 December 2015.

The following transactions took place between the Company and the Group controlled by Our Power Community Benefit Society Limited and Vital Spark Incubation Limited:

	2015 £'000
Interest payable on loans owed to Our Power Community Benefit Society Limited	52
Amortised cost adjustment to loans payable to Our Power Community Benefit Society Limited	(26)
Amounts owed by Our Power Community Benefit Society Limited	786
Our Power Community Benefit Society Limited loan	(1,930)
Amounts owed by Vital Spark Incubation Limited	4
Recharges to Vital Spark Incubation Limited	4
	4

17 Post Balance Sheet events

Operational delivery commenced in January 2016 and controlled market entry, which is a requirement for new participants to the electricity market, commenced.

18 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 at the FCA.