

**Octopus Energy Limited**  
**(formerly Mercury Energy Supply Limited)**

Annual report and financial statements

For the period from incorporation on 14 October 2014 to 31 October 2015

Registered number: 09263424



**COMPANY INFORMATION**

**Directors**                      S Handfield-Jones  
   C Hulatt  
   G Jackson  
   S Jackson  
   J Eddison  
   S Rogerson

**Company Secretary**        T J Spevack

**Company Number**            09263424

**Registered Office**            33 Holborn  
   London  
   EC1N 2HT

**Bankers**                        HSBC  
   31 Holborn  
   London  
   EC1N 2HR

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## DIRECTORS' REPORT

Period from 14 October 2014 to 31 October 2015

The directors present their annual report on the affairs of Octopus Energy Limited ("the Company"), together with the financial statements for the period from incorporation on 14 October 2014 to 31 October 2015.

The directors acknowledge their responsibility for:

- (i) ensuring the company keeps accounting records in accordance with Section 386, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the period in accordance with the requirements of Section 393, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption; accordingly, no separate strategic report has been presented.

### Change of name

On 21 August 2015 the company changed its name from Mercury Energy Supply Limited to Octopus Energy Limited.

### Principal activities

The principal activities of the Company was as the holder of a licence to supply energy.

### Results

The results for the Company show a pre-tax loss of £83,347 for the period and turnover of £nil.

The Company has no debt.

### Directors

The directors who served throughout the period were as follows:

S Handfield-Jones (appointed 13 August 2015).

C Hulatt (appointed 11 January 2016).

G Jackson (appointed 11 January 2016).

S Jackson (appointed 11 January 2016).


S Rogerson (appointed 11 January 2016).

S Gosling (appointed on 14 October 2014 and resigned 13 August 2015).

M Hirst (appointed on 14 October 2014 and resigned 13 August 2015).

J Eddison (appointed 16 January 2016)

Approved by the Board and signed on its behalf by:

  
Stuart Jackson  
Director

Registered Office:

33 Holborn

London

EC1N 2HT

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCTOPUS ENERGY LIMITED**

Period from 14 October 2014 to 31 October 2015

We have audited the financial statements of Octopus Energy Limited for the period from 14 October 2014 (date of incorporation) to 31 October 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Accounting Policies and the related notes 1 to 13. 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).

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 explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

### **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 October 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCTOPUS ENERGY LIMITED (continued)**

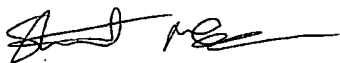
### **Opinion on other matter prescribed by the Companies Act 2006**

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

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 if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.
- the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report



Stuart McLaren (Senior statutory auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, UK

13 July 2016

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

Period from 14 October 2014 to 31 October 2015

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## PROFIT AND LOSS ACCOUNT

Period from 14 October 2014 to 31 October 2015

	Notes	14 Oct 14 – 31 Oct 15 £
Operating expenses		(83,347)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>1</b>	<b>(83,347)</b>
Tax charge on ordinary activities	4	-
<b>LOSS FOR THE FINANCIAL PERIOD FROM CONTINUING OPERATIONS</b>		<b>(83,347)</b>

There were no recognised gains and losses for the period other than those included in the profit and loss account.

The statement of accounting policies and notes on pages 10 to 15 form part of these financial statements.




## BALANCE SHEET

As at 31 October 2015

	Notes	2015 £
<b>FIXED ASSETS</b>		
Tangible fixed assets	4	2,892
Intangible fixed assets	5	103,137
		<u>106,029</u>
<b>CURRENT ASSETS</b>		
Debtors	6	1
		<u>1</u>
<b>Creditors: amounts falling due within one year</b>	7	(189,376)
		<u>(189,376)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(189,376)</u>
		<u>(83,346)</u>
<b>NET LIABILITIES</b>		
		<u>(83,346)</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	8	1
Profit and loss account	9	(83,347)
		<u>(83,347)</u>
<b>SHAREHOLDERS' DEFECIT</b>	10	<u>(83,346)</u>

The financial statements of Octopus Energy Limited (registered number: 09263424) were approved by the Board of Directors and authorised for issue on 13<sup>th</sup> July 2016. They were signed on its behalf by:

  
 Stuart Jackson  
 Director

The statement of accounting policies and notes on pages 10 to 15 form part of these financial statements.

## STATEMENT OF ACCOUNTING POLICIES

Period from 14 October 2014 to 31 October 2015

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

### **Basis of accounting and preparation of financial statements**

The financial statements have been prepared under the historical cost convention modified for the revaluation of certain fixed assets and in accordance with applicable United Kingdom Law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Policies).

### **Going concern**

The directors are satisfied that the Company will be able to meet its liabilities as they fall due for a period of at least 12 months from the date of signing these financial statements and the financial statements have therefore been prepared on the going concern basis.

The Company is operating well inside the funding line agreed with Octopus Capital on the 13<sup>th</sup> of December 2015 and is able to draw-down as required to fund growth forecast over the medium term. There were no other significant events requiring disclosure in the financial statements after the balance. The Directors are satisfied that the Company's performance during this launch period was exactly on-plan but monitor financial, operating and risk performance closely.

### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax assets and liabilities are not discounted.

### **Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Fixtures and fittings: 5-10 years, or the remaining life of the lease term, depending on which is earliest.  
Equipment: 3 - 5 years.

Residual value is calculated on prices prevailing at the date of acquisition or revaluation.

## **STATEMENT OF ACCOUNTING POLICIES (continued)**

### **Intangible fixed assets**

Intangible assets consist of internally developed software are included at cost and amortised in equal instalments over their estimated useful economic life.

Development costs of internally developed software are included at cost to the extent that they can be recovered by future revenues and include both external purchases as well as employment cost of the development team. Any expenditure incurred that does not relate to development of the final asset in use is expensed as incurred. There was no such expense in the current period.

The asset will start to be amortised at the point it becomes available for use.

There is no impairment in the current accounting period.

### **Cash Flow**

The Company is taking the available exemption from FRS 1 in preparing a cash flow statement as it is a wholly-owned subsidiary of an entity preparing consolidated accounts that are publicly available.

## NOTES TO THE FINANCIAL STATEMENTS

Period from 14 October 2014 to 31 October 2015

### 1. Staff Costs

The average monthly number of employees, including executive directors, during the year was:

	<b>2015</b>
	<b>Number</b>
Sales and distribution	0
Administration	1
	<u>1</u>

Their aggregate remuneration comprised:

	<b>2015</b>
	<b>£</b>
Wages and salaries	87,734
Social security costs	10,895
Other pension costs (see note 20)	0
	<u>98,629</u>

The company has capitalised £32,385 of salary and £4,003 of Social security costs as part of their intangible assets. The average headcount for the period of trading is 7, which related to the last two months of the period only. Due to the company being dormant for the first 10 months the average for the period of 14 October 14 – 31 October 15 is 1.

### 2. Directors' Remuneration and Transactions

#### Directors' remuneration

The company's directors were remunerated by a fellow group company, Octopus Capital Limited. No recharge is made to Octopus Energy Limited given the size of the group and the practicality of making such a charge.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

Period from 14 October 2014 to 31 October 2015

**3. Tax credit on loss on ordinary activities**

	<b>2015</b>
	<b>£</b>
Tax credit on loss on ordinary activities	-

**4. Tangible Fixed Assets**

	<b>£</b>
<b>Cost</b>	
Additions	2,892
At 31 October 2015	2,892
<b>Depreciation</b>	
Charge for the period	-
At 31 October 2015	-
<b>Net book value</b>	
At 31 October 2015	2,892

**5. Intangible Fixed Assets**

	<b>£</b>
<b>Cost</b>	
Additions	103,137
At 31 October 2015	103,137
<b>Depreciation</b>	
Charge for the period	-
At 31 October 2015	-
<b>Net book value</b>	
At 31 October 2015	103,137

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

Period from 14 October 2014 to 31 October 2015

**6. Debtors**

	2015
	£
Unpaid share capital	<u>1</u>

There are no debtors falling due after more than one year.

**7. Creditors**

	2015
	£
Amounts owed to group undertakings	<u>189,376</u>

There are no creditors falling due after more than one year.

**8. Called Up Share Capital**

	2015
	£
<b>Allotted and called up</b>	
1 Ordinary shares of £1 each	<u>1</u>

**9. Reserves**

	Profit and loss account
	£
Loss for the period	<u>(83,347)</u>
At 31 October 2015	<u>(83,346)</u>

**10. Reconciliation of Movements in Shareholders' Funds**

	2015
	£
Loss for the period	<u>(83,347)</u>
Closing shareholders' funds	<u>(83,347)</u>

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

Period from 14 October 2014 to 31 October 2015

### **11. Related Party Transactions**

The Company's ultimate controlling undertaking is Octopus Capital Limited. The Company has taken advantage of the disclosure exemptions permitted by Financial Reporting Standard 8 paragraph 3(c) in regard to transactions with other wholly owned member companies of the Octopus Group. There are no other related party transactions requiring disclosure.

### **12. Ultimate Parent Undertaking and Controlling Party**

The Ultimate Parent Company is Octopus Capital Limited, a company incorporated in the United Kingdom and registered in England and Wales. *Octopus Capital Limited prepares consolidated accounts, and copies of these accounts can be obtained from The Secretary, Octopus Capital Limited, 33 Holborn, London EC1N 2HT.*

### **13. Subsequent Events**

The Company has, pursuant to its articles of association, resolved to issue secured loan notes of up to £10,200,000 in aggregate principal amount pursuant to a resolution of its board of directors. An initial drawdown of £2,000,000 was taken in December 2015.

Three employees of the business as at 31 October 2015 were appointed as directors effective from 16 January 2016.