

# Robin Hood Energy Limited

Financial Statements

Year Ended

31 March 2017

Company Number 08053212

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# Robin Hood Energy Limited

## Company Information

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<b>Directors</b>	D Liversidge S P Battlemuch N N Khan J N Collins G Scholes A D Springall
<b>Registered number</b>	08053212
<b>Registered office</b>	Loxley House Station Street Nottingham NG2 3NG
<b>Independent auditor</b>	BDO LLP Regent House Clinton Avenue Nottingham NG5 1AZ

# Robin Hood Energy Limited

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**Robin Hood Energy Limited**  
Registered number: 08053212

**Statement of Financial Position**  
As at 31 March 2017

	Note	2017 £000	2017 £000	2016 £000	2016 £000
<b>Fixed assets</b>					
Intangible assets	5		230		194
Tangible assets	6		470		407
			<u>700</u>		<u>601</u>
<b>Current assets</b>					
Debtors: amounts falling due after more than one year	7	191			
Debtors: amounts falling due within one year	7	9,550		3,324	
Cash at bank and in hand	8	860		597	
		<u>10,601</u>		<u>3,921</u>	
Creditors: amounts falling due within one year	9	(12,131)		(5,100)	
<b>Net current liabilities</b>			<u>(1,530)</u>		<u>(1,179)</u>
<b>Total assets less current liabilities</b>			<u>(830)</u>		<u>(578)</u>
Creditors: amounts falling due after more than one year	10		(8,537)		(2,639)
Other provisions	12		(217)		-
Pension liability	13		(1,195)		-
<b>Net liabilities</b>			<u>(10,779)</u>		<u>(3,217)</u>
<b>Capital and reserves</b>					
Called up share capital	16		-		-
Profit and loss account	17		(10,779)		(3,217)
			<u>(10,779)</u>		<u>(3,217)</u>

The company's financial statements have been prepared and delivered in accordance with the provisions applicable to entities subject to the small companies regime. The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

  
**S P Battlemuch**  
Director

22/9/17

The notes on pages 3 to 19 form part of these financial statements.

# Robin Hood Energy Limited

## Statement of Changes in Equity For the Year Ended 31 March 2017

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 April 2016	-	(3,217)	(3,217)
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(7,599)	(7,599)
Actuarial gains on pension scheme	-	12	12
Deferred tax movements	-	(1)	(1)
<b>Total comprehensive loss for the year</b>	-	(7,588)	(7,588)
<b>Contributions by and distributions to owners</b>			
Capital contribution (see note 18)	-	956	956
Liability transferred from parent company (see note 18)	-	(930)	(930)
<b>Total transactions with owners</b>	-	26	26
<b>At 31 March 2017</b>	-	(10,779)	(10,779)

As explained further in note 13, following the transfer of the relevant employees, the parent company has indemnified the company for 80% of the defined benefit pension liability. This indemnity has been recognised as a capital contribution in the year.

## Statement of Changes in Equity For the Year Ended 31 March 2016

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 April 2015	-	(713)	(713)
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(2,504)	(2,504)
<b>Total comprehensive loss for the year</b>	-	(2,504)	(2,504)
<b>At 31 March 2016</b>	-	(3,217)	(3,217)

The notes on pages 3 to 19 form part of these financial statements.

# Robin Hood Energy Limited

## Notes to the Financial Statements For the Year Ended 31 March 2017

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### 1. General information

Robin Hood Energy Limited is a company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office can be found on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical costs convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. The presentation currency used is sterling.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Disclosure exemptions adopted

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.3 Going concern

At 31 March 2017, the company has net liabilities of £10,779,000 (2016 - £3,217,000) including amounts owed to the parent company of £11,580,000 (2016 - £5,929,000). The company relies upon parent company support for its funding which has been confirmed in writing.

The directors have carried out a detailed review to determine whether the preparation of the financial statements on a going concern basis remains appropriate. The directors' review of the company takes into consideration budgets and cashflow forecasts for the period to 31 March 2019 which show that the company will still be reliant on the parent company for financial support for the foreseeable future.

On the assumption of support being forthcoming in line with agreed budgets, which has been confirmed in writing, the directors consider that the company has adequate resources to continue to meet its liabilities as they fall due. The financial statements have therefore been prepared on a going concern basis.

# Robin Hood Energy Limited

## Notes to the Financial Statements For the Year Ended 31 March 2017

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### 2. Accounting policies (continued)

#### 2.4 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The information is included in the consolidated financial statements of Nottingham City Council as at 31 March 2017 and consolidated accounts are available from Nottingham City Council at Loxley House, Nottingham, NG2 3NG, or via their website at [www.nottinghamcity.gov.uk](http://www.nottinghamcity.gov.uk).

#### 2.5 Turnover

Turnover comprises the value of units of energy supplied to customers during the year, and includes an estimate of the value of units supplied to customers based on the latest data provided by industry at a certain point in time. This will incorporate current data available and industry data. Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

#### 2.6 Intangible assets

Software licences classified as intangible assets have a useful life of 5 years are initially recognised at cost. After recognition, under the cost model, software licences are measured at cost less any accumulated amortisation. In accordance with group policy amortisation is applied in the year after acquisition.

# Robin Hood Energy Limited

## Notes to the Financial Statements For the Year Ended 31 March 2017

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### 2. Accounting policies (continued)

#### 2.7 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. In accordance with group policy depreciation is charged in the year after acquisition.

The estimated useful lives range as follows:

Leasehold improvements	-	3 years
Office equipment and fixtures and fittings	-	5 years
Computer equipment	-	5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

#### 2.8 Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

#### 2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Provisions against trade debtors and accrued income are recognised when a loss is considered probable. Trade debtors are reviewed and assessed on a customer by customer basis.

#### 2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including loans from the parent company, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.



# Robin Hood Energy Limited

## Notes to the Financial Statements For the Year Ended 31 March 2017

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### 2. Accounting policies (continued)

#### 2.12 Pensions

On 1 February 2017, the employees of the company that were employed by Nottinghamshire City Council ("NCC") were transferred to Robin Hood Energy Limited. As the company is a member of the Local Government Pension Scheme "LGPS", a defined benefit pension scheme operated by NCC, the LGPS members' obligation was also transferred on this date. NCC indemnified the company against 80% of the liability arising as a result of this transfer. An asset is recognised as due from NCC for 80% of the closing liability.

Defined benefit scheme surpluses and deficits are measured at:

- The fair value of plan assets at the reporting date; less
- Plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities; plus
- Unrecognised past service costs; less
- The effect of minimum funding requirements agreed with scheme trustees.

Remeasurements of the net defined obligation are recognised directly within equity. The remeasurements include:

- Actuarial gains and losses
- Return on plan assets (interest exclusive)
- Any asset ceiling effects (interest exclusive).

Service costs are recognised in the statement of comprehensive income, and include current and past service costs as well as gains and losses on curtailments.

Net interest expense (income) is recognised in the statement of comprehensive income, and is calculated by applying the discount rate used to measure the defined benefit obligation/(asset) at the beginning of the annual period to the balance of the net defined benefit obligation/(asset), considering the effects of contributions and benefit payments during the period.

Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in the statement of comprehensive income.

Settlements of defined benefit schemes are recognised in the period in which the settlement occurs.

Income represents the amounts payable by the group to the fund in respect of the period.

# Robin Hood Energy Limited

## Notes to the Financial Statements For the Year Ended 31 March 2017

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### 2. Accounting policies (continued)

#### 2.13 Provisions

Provisions are recognised when:

- The Company has a present legal or constructive obligation as a result of past events;
- It is more likely than not that an outflow of economic resources will be required to settle the obligation; and
- The amount can be reliably estimated.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect any one item included in the same class of obligations may be small.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset when the reimbursement is virtually certain.

#### 2.14 Current and deferred taxation

Current tax assets or liabilities are measured at the amount expected to be recovered from or paid to taxation authorities and is determined using the tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is determined using the tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available, against which the temporary differences can be utilised.

# Robin Hood Energy Limited

## Notes to the Financial Statements For the Year Ended 31 March 2017

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

The company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### Estimates and assumptions

##### (a) Useful lives of property, plant and equipment

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out in the company's accounting policy. The selection of these estimated lives requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives shorten then depreciation charges in the financial statements would increase and carrying amounts of property, plant and equipment would reduce accordingly. The carrying amount of property, plant and equipment by each class is included in note 6.

##### (b) Useful lives of intangible assets

Intangible assets are amortised over their useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue. These estimates are reviewed at least annually and changes to these estimates can result in significant variations in the carrying value and amounts charged to profit or loss. The carrying amount of intangible assets by each class is included in note 5.

##### (c) Impairment of fixed assets

The directors assess whether there are indicators of impairment of the company's tangible and intangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the assets.

##### (d) Turnover

The nature of the energy industry in the UK, in which Robin Hood Limited operates, is such that revenue recognition is subject to a degree of estimation. Calculation of revenues from gas and electricity sales include an estimate of the value of electricity and gas supplied to customers based on the latest data provided by the industry at a certain point in time. This will incorporate current data available and will take into consideration the industry reconciliation process.

# Robin Hood Energy Limited

## Notes to the Financial Statements For the Year Ended 31 March 2017

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### Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

#### (e) Power purchase costs

Settlement of power purchase costs and volume can typically take 14 months to be finalised due to the settlement procedures that are standard in the energy market. Therefore there is an element of power purchase costs that need to be estimated based on industry data at any particular point in time.

#### (f) Bad debts

The estimate of the provision for impairment takes account of future cash flows based on the latest information and ageing of the debt. The provision for impairment of trade debtors at 31 March 2017, is recognised in the income statement within administrative expenses. Subsequent recoveries of amounts previously written off will be credited to administrative expenses.

#### (g) Pensions

In order to manage the risks of the pension deficit being misstated the directors have obtained professional advice on the critical estimates from the scheme actuaries. In addition, estimates concerning general economic trends have been informally benchmarked against other companies in the same sector with defined benefit pension schemes.

See note 13 for details of disclosure of the key sources of estimation uncertainty relating to the retirement benefit obligation.

## 4. Employees

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

	2017 No.	2016 No.
Administration	71	-

The directors receive remuneration from the parent company for their services to the company. It is not considered practical or possible to apportion these costs to the company. Given the relative size of the company the effect of not apportioning these costs for disclosure purposes is not considered to be material.

# Robin Hood Energy Limited

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 5. Intangible assets

	<b>Software licences £000</b>
<b>Cost</b>	
At 1 April 2016	208
Additions	78
At 31 March 2017	<u>286</u>
<b>Amortisation</b>	
At 1 April 2016	14
Charge for the year	42
At 31 March 2017	<u>56</u>
<b>Net book value</b>	
At 31 March 2017	<u><u>230</u></u>
At 31 March 2016	<u><u>194</u></u>

# Robin Hood Energy Limited

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 6. Tangible fixed assets

	Leasehold improvements £000	Office equipment and fixtures and fittings £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>				
At 1 April 2016	131	50	321	502
Additions	8	45	129	182
At 31 March 2017	<u>139</u>	<u>95</u>	<u>450</u>	<u>684</u>
<b>Depreciation</b>				
At 1 April 2016	44	10	42	96
Charge for the year on owned assets	44	10	64	118
At 31 March 2017	<u>88</u>	<u>20</u>	<u>106</u>	<u>214</u>
<b>Net book value</b>				
At 31 March 2017	<u>51</u>	<u>75</u>	<u>344</u>	<u>470</u>
At 31 March 2016	<u>87</u>	<u>40</u>	<u>280</u>	<u>407</u>

# Robin Hood Energy Limited

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 7. Debtors

	2017 £000	2016 £000
<b>Due after more than one year</b>		
Deferred tax asset (note 16)	191	-
	<u>191</u>	<u>-</u>
<b>Due within one year</b>		
Trade debtors	1,496	490
Amounts owed by group undertakings	3,047	109
Other debtors	2,528	1,422
Prepayments and accrued income	2,479	1,303
	<u>9,550</u>	<u>3,324</u>

### 8. Cash and cash equivalents

	2017 £000	2016 £000
Cash at bank and in hand	860	597
	<u>860</u>	<u>597</u>

### 9. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	2,429	1,265
Amounts owed to group undertakings	3,043	3,290
Accruals and deferred income	6,659	545
	<u>12,131</u>	<u>5,100</u>

### 10. Creditors: Amounts falling due after more than one year

	2017 £000	2016 £000
Amounts owed to group undertakings	8,537	2,639
	<u>8,537</u>	<u>2,639</u>

# Robin Hood Energy Limited

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 11. Deferred taxation

	<b>2017 £000</b>
Charged to the profit or loss	(12)
Charged to other comprehensive income	(1)
Deferred tax in respect of pension liability transferred (see note 13)	204
<b>At end of year</b>	<b>191</b>

The deferred tax asset is made up as follows:

	<b>2017 £000</b>
Deferred tax relating to pension scheme	191

The company has an unrecognised deferred tax asset at 31 March 2017 of approximately £1,900,000 (2016 - £574,000) including losses of £1,600,000. The deferred tax asset has not been recognised as there is doubt over its recovery in the foreseeable future.

### 12. Provisions

	<b>Other provisions £000</b>
Charged to profit or loss	217
<b>At 31 March 2017</b>	<b>217</b>

Other provisions comprise a provision against dilapidations on the premises the company currently occupies and an onerous contract for the supply of electricity. Both provisions are expected to be utilised within 1 year and accordingly are not discounted as the directors do not consider the effect of discounting to be material to the financial statements.



# Robin Hood Energy Limited

## Notes to the Financial Statements For the Year Ended 31 March 2017

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### 13. Pension commitments

The company operates a defined benefit pension scheme.

Defined benefit scheme characteristics and funding:

The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings. As the LGPS operates under the rules relating to public sector schemes, the company has no influence in that regard.

The administering authority for the Fund is Nottinghamshire County Council. The Pension Fund Committee oversees the management of the Fund whilst the day to day fund administration is undertaken by a team within the administering authority. Where appropriate some functions are delegated to the Fund's professional advisers.

As administering authority to the Fund, Nottinghamshire County Council, after consultation with the Fund Actuary and other relevant parties, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Investment Strategy Statement. These should be amended when appropriate based on the Fund's performance and funding.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The next actuarial valuation of the Fund will be carried out as at 31 March 2019 and will set contributions for the period from 1 April 2020 to 31 March 2023. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions. The LGPS is legally separate from the company and administered by a separate fund.

The Nottinghamshire Pension Fund Committee is responsible for deciding the asset allocation of the fund. The asset allocation currently favours "growth assets" (equities and property) over "defensive assets" (bonds and cash) as the former are expected to outperform the latter over the long term. As the Fund receives significant investment income, it is unlikely to need to sell assets to pay benefits for at least 20 years. This allows the Fund to continue to implement a long term investment strategy.

The scheme is exposed to a number of risks, including:

- Investment risk. The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges;
- Interest rate risk. The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cashflows. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way;
- Inflation risk. All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation; and
- Longevity risk. In the event that the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks.

In the period to 31 March 2018, the Company expects to contribute £149,000 into the defined benefit scheme.

# Robin Hood Energy Limited

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 13. Pension commitments (continued)

Reconciliation of present value of plan liabilities:

	2017 £000	2016 £000
Transferred in	1,830	-
Current service cost	93	-
Interest cost	9	-
Actuarial loss	11	-
Contributions	14	-
<b>At the end of the year</b>	<b>1,957</b>	<b>-</b>

Reconciliation of present value of plan assets:

	2017 £000	2016 £000
Transferred in	696	-
Interest on assets	4	-
Expected return on plan assets	23	-
Contributions (employers-£14,000; employees-£25,000)	39	-
<b>At the end of the year</b>	<b>762</b>	<b>-</b>

Composition of plan assets:

	2017 £000	2016 £000
Equities	533	-
Bonds	69	-
Infrastructure	18	-
Inflation linked pooled fund	19	-
Property	85	-
Cash	38	-
<b>Total plan assets</b>	<b>762</b>	<b>-</b>

# Robin Hood Energy Limited

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 13. Pension commitments (continued)

	2017 £000	2016 £000
Fair value of plan assets	762	-
Present value of plan liabilities	(1,957)	-
<b>Net pension scheme liability</b>	<b>(1,195)</b>	<b>-</b>

On 1 February 2017, the employees of the company that were employed by NCC were transferred to Robin Hood Energy Limited. As the company is a member of the LGPS, the obligation was also transferred on this date. NCC indemnified the company against 80% of the liability arising as a result of this transfer which is recognised as a capital contribution.

The net liabilities of the scheme transferred from the parent company as at 1 February was £1,134,000 and the related deferred tax asset was £204,000. The net amount recognised in the statement of changes in equity as a transaction with shareholders is £930,000.

The company's share of assets of the LGPS is estimated to be less than 1%. The company was given this share of assets as at the date of transfer on 1 February 2017 that reflected a fully funded transfer using assumptions that are consistent with the triennial valuation of the fund as at 31 March 2013.

The amounts recognised in profit or loss are as follows:

	2017 £000	2016 £000
Current service cost	93	-
Interest on obligation	5	-
<b>Total</b>	<b>98</b>	<b>-</b>
Net actuarial movement	(12)	-
Less: attributable taxation (see note 16)	1	-
	<b>(11)</b>	<b>-</b>

The expected return on plan assets is based on expectations at the beginning of the period for returns over the entire life of the benefit obligation. The expected returns are set in conjunction with external advisors and take account of market factors, fund managers' views and targets for future returns, and, where appropriate, historical returns.

The total return on the fund assets for the period 1 February 2017 to 31 March 2017 is £27,000.

The cumulative amount of actuarial gains and losses recognised in the statement of comprehensive income was £12,000 (2016 - £Nil).

# Robin Hood Energy Limited

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 13. Pension commitments (continued)

Principal actuarial assumptions at the statement of financial position date (expressed as weighted averages):

	2017 %
Discount rate	2.70
Future salary increases	4.20
Future pension increases	2.70
Inflation assumption (RPI)	3.60
Mortality rates	
- for a male aged 65 now	22.5
- at 65 for a male aged 45 now	24.7
- for a female aged 65 now	22.5
- at 65 for a female member aged 45 now	27.8

The impact to the value of the defined benefit obligation of a reasonably possible change to one actuarial assumption, holding all other assumption constant, is presented in the table below:

	Assumption £000	Change in	Change in
		assumption £000	assumption £000
		Increase by	Decrease by
		0.1%	0.1%
<b>Discount rate</b>			
Present value of total obligation	1,957	1,888	2,029
Projected service cost	564	544	585

# Robin Hood Energy Limited

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 13. Pension commitments (continued)

		Increase by 0.1%	Decrease by 0.1%
<b>Long term salary increase</b>			
Present value of total obligation	1,957	1,972	1,942
Projected service cost	564	564	564

		Increase by 0.1%	Decrease by 0.1%
<b>Pension increases and deferred revaluation</b>			
Present value of total obligation	1,957	2,013	1,903
Projected service cost	564	585	544

		Increase by 1 year	Decrease by 1 year
<b>Life expectancy assumptions</b>			
Present value of total obligation	1,957	2,019	1,897
Projected service cost	564	582	547

### 14. Commitments under operating leases

At 31 March 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £000	2016 £000
Not later than 1 year	34	49
Later than 1 year and not later than 5 years	-	35
	<u>34</u>	<u>84</u>

# Robin Hood Energy Limited

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 15. Energy purchase commitments

The company hedges its exposure to changes in market prices from energy purchases.

The company has committed to purchase energy totaling £10,199,000 (2016 - £1,959,000) which has been contracted for but not provided in these financial statements.

Forward contracts to purchase energy are accounted for in the statement of comprehensive income in the period in which the supply of power occurs.

### 16. Share capital

	2017 £	2016 £
<b>Authorised, allotted, called up and fully paid</b>		
1 ordinary share of £1	<u>1</u>	<u>1</u>

### 17. Reserves

The company's reserves are as follows:

#### Called up share capital

Called up share capital reserve represents the nominal value of the shares issued.

#### Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

### 18. Controlling party

The company is a wholly owned subsidiary of Nottingham City Council, which is the ultimate controlling party.

The parent undertaking of the largest group for which consolidated accounts are prepared is Nottingham City Council. Consolidated accounts are available from Nottingham City Council at Loxley House, Nottingham, NG2 3NG, or via their website at [www.nottinghamcity.gov.uk](http://www.nottinghamcity.gov.uk).

### 19. Auditor's information

The audit of Robin Hood Energy Limited for the year ended 31 March 2017 by Gareth Singleton of BDO LLP has resulted in an unqualified audit opinion. There is no inclusion of an emphasis of matter paragraph.