

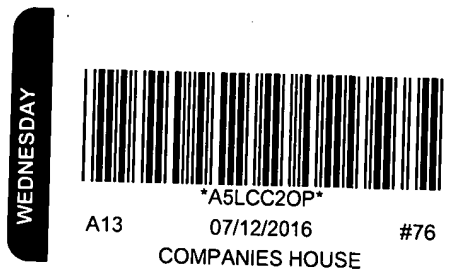
Robin Hood Energy Limited

Report and Financial Statements

Year Ended

31 March 2016

Company Number 08053212



Robin Hood Energy Limited

Company Information

Directors	A M Clark S P Battlemuch D Liversidge
Registered number	08053212
Registered office	Loxley House Station Street Nottingham NG2 3NG
Independent auditor	BDO LLP Regent House Clinton Avenue Nottingham NG5 1AZ

Robin Hood Energy Limited

Contents

	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditor's report	3 - 4
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Notes to the financial statements	8 - 16

Robin Hood Energy Limited

Directors' report For the year ended 31 March 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

Principal activity

The company's principal activity is the supply of gas and electricity for residential and commercial customers. Robin Hood Energy passed Controlled Market Entry testing in July 2015 and began offering a Credit tariff nationally for domestic customers from September. This was followed by the launch of the Prepayment tariff in November and the first Commercial contract was entered into in February 2016.

Directors

The directors who served during the year were:

A M Clark (appointed 5 June 2015)
S P Battlemuch (appointed 5 June 2015)
D Liversidge (appointed 6 November 2015)

The following Directors were appointed after the year end:

Councilor J N Collins (appointed 7 June 2016)
N N Khan (appointed 6 June 2016)

Qualifying third party indemnity provisions

Throughout the year and up to the date of this report the company maintained qualifying third party indemnity insurance for the directors.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Small Companies

In preparing their report the directors have chosen to take advantage of the small company exemptions.

This report was approved by the board and signed on its behalf.



A M Clark
Director

Date: 11 August 2016

Robin Hood Energy Limited

Directors' responsibilities statement

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 judgments and accounting estimates that are reasonable and prudent; 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, to 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.

Robin Hood Energy Limited

Independent Auditor's report to the members of Robin Hood Energy Limited

We have audited the financial statements of Robin Hood Energy Limited for the year ended 31 March 2016 which comprise the Statement of Comprehensive Income, the Statement of financial Position, the Statement of Changes in Equity and the related notes. 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 Financial Reporting Council's (FRC'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 FRC's website at 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 March 2016 and of its loss for the year 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.

Opinion on other matters 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.

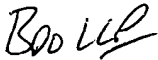
Robin Hood Energy Limited

Independent Auditor's report to the members of Robin Hood Energy Limited

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 prepare the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.



Gareth Singleton (senior statutory auditor)
for and on behalf of BDO LLP, statutory auditor
Nottingham
United Kingdom

11 August 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Robin Hood Energy Limited

Statement of comprehensive income For the year ended 31 March 2016

	Note	2016 £	2015 £
Turnover		4,624,586	-
Cost of sales		(3,976,297)	-
GROSS PROFIT		648,289	-
Administrative expenses		(2,815,844)	(712,571)
OPERATING LOSS		(2,167,555)	(712,571)
Interest receivable and similar income	5	2,314	-
Interest payable and expenses	6	(339,299)	-
LOSS BEFORE TAX		(2,504,540)	(712,571)
Tax on loss on ordinary activities		-	-
LOSS FOR THE YEAR		(2,504,540)	(712,571)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(2,504,540)	(712,571)

The notes on pages 8 to 16 form part of these financial statements.


Robin Hood Energy Limited

Registered number:08053212

Statement of financial position As at 31 March 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Intangible assets	8	193,975	71,769
Tangible assets	9	407,538	390,412
		<u>601,513</u>	<u>462,181</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	10	3,323,385	194,575
Cash at bank and in hand	11	596,767	-
		<u>3,920,152</u>	<u>194,575</u>
Creditors: amounts falling due within one year	12	(5,099,476)	(1,369,326)
NET CURRENT LIABILITIES			
		<u>(1,179,324)</u>	<u>(1,174,751)</u>
Total assets less current liabilities			
		<u>(577,811)</u>	<u>(712,570)</u>
Creditors: amounts falling due after more than one year	13	(2,639,299)	-
Net liabilities			
		<u>(3,217,110)</u>	<u>(712,570)</u>
Capital and reserves			
Called up share capital	14	1	1
Profit and loss account		(3,217,111)	(712,571)
Shareholders deficit			
		<u>(3,217,110)</u>	<u>(712,570)</u>

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



A M Clark
Director

Date: 11 August 2016

The notes on pages 8 to 16 form part of these financial statements.

Robin Hood Energy Limited

Statement of changes in equity For the year ended 31 March 2016

	Share capital £	Profit and loss account £	Total equity £
At 1 April 2015	1	(712,571)	(712,570)
COMPREHENSIVE INCOME FOR THE YEAR			
Loss for the year	-	(2,504,540)	(2,504,540)
AT 31 MARCH 2016	1	(3,217,111)	(3,217,110)

Statement of changes in equity For the year ended 31 March 2015

	Share capital £	Profit and loss account £	Total equity £
At 1 April 2014	1	-	1
Loss for the year	-	(712,571)	(712,571)
AT 31 MARCH 2015	1	(712,571)	(712,570)

The notes on pages 8 to 16 form part of these financial statements.

Robin Hood Energy Limited

Notes to the financial statements For the year ended 31 March 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

Robin Hood Energy Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page.

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 judgment in applying the company's accounting policies (see note 2).

1.2 Disclosure exemptions adopted

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the parent company Nottingham City Council.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Nottingham City Council. These financial statements do not include certain disclosures in respect of:

- Financial Instruments (other than certain disclosures required as a result of recording financial instruments at fair value);
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value); and
- Impairment of assets.

Robin Hood Energy Limited

Notes to the financial statements For the year ended 31 March 2016

1. Accounting policies (continued)

1.3 Going concern

In view of the company's net liabilities £3,217,110 (2015 - £712,570) including amounts owed to the parent company of £3,289,523 (2015 - £1,030,993), 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 2017.

In order to achieve the forecasts, the directors have obtained the necessary financial support from Nottingham City Council.

Taking the above into consideration, the directors believe that the preparation of the accounts on a going concern basis is appropriate.

1.4 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.

1.5 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.

1.6 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.

Robin Hood Energy Limited

Notes to the financial statements For the year ended 31 March 2016

1. Accounting policies (continued)

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.

1.7 Operating leases

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

1.8 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

1.9 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.

1.10 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.

Robin Hood Energy Limited

Notes to the financial statements For the year ended 31 March 2016

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

The company makes certain estimates and assumptions regarding the future. Estimates and judgments 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 judgment. 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 9.

(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 8.

(c) Turnover

The nature of the energy industry in the UK, in which Robin Hood 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.

(d) 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.

(e) 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 2016, is recognised in the income statement within administrative expenses. Subsequent recoveries of amounts previously written off will be credited to administrative expenses.

Robin Hood Energy Limited

Notes to the financial statements For the year ended 31 March 2016

3. Operating loss

The operating loss is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	95,568	-
Amortisation of intangible assets, including goodwill	14,354	-
Fees payable to the Company's auditor and its associates for the audit of the company's annual accounts	21,600	7,500
Provision against trade debtors and accrued income	245,547	-
	<u>245,547</u>	<u>-</u>

4. Recharged employee costs

Staff costs were as follows:

	2016 £	2015 £
Amounts recharged from parent company	1,276,160	283,406
Cost of defined contribution scheme	26,488	-
	<u>1,302,648</u>	<u>283,406</u>

The company has no employees other than the directors, who did not receive any remuneration (2015 - £NIL) as they are remunerated by the parent company.

5. Interest receivable

	2016 £	2015 £
Other interest receivable	2,314	-
	<u>2,314</u>	<u>-</u>

6. Interest payable

	2016 £	2015 £
Loan interest payable to the parent company	339,299	-
	<u>339,299</u>	<u>-</u>

Robin Hood Energy Limited

Notes to the financial statements For the year ended 31 March 2016

7. Taxation

There is no charge to corporation tax as the company has trading losses of approximately £3,400,000 (2015 - £760,000) which are available to be carried forward and utilised against future trading profits. The company has an unrecognised deferred tax asset at 31 March 2016 of approximately £574,000 (2015 - £140,000). The deferred tax asset has not been recognised as there is doubt over its recovery in the foreseeable future.

The unrecognised deferred tax is calculated based on the tax rates enacted or substantially enacted at the balance sheet date. The Chancellor of the Exchequer announced in the 2015 Summer Budget that the corporation tax rate would reduce from the current rate of 20% to 19% from 1 April 2017 and 18% from 1 April 2020. These changes to the future tax rate were substantively enacted on 26 October 2015. The unrecognised deferred tax has been based upon the rate of 18% given that the timing differences are expected to reverse at this rate.

8. Intangible assets

	Software licences
	£
Cost	
At 1 April 2015	71,769
Additions - external	136,560
At 31 March 2016	<u>208,329</u>
Amortisation	
Charge for the year	14,354
At 31 March 2016	<u>14,354</u>
Net book value	
At 31 March 2016	<u>193,975</u>
At 31 March 2015	<u>71,769</u>

Robin Hood Energy Limited

Notes to the financial statements For the year ended 31 March 2016

9. Tangible fixed assets

	Leasehold improve- ments £	Office equipment and fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2015	131,141	50,487	208,784	390,412
Additions	-	-	112,694	112,694
At 31 March 2016	<u>131,141</u>	<u>50,487</u>	<u>321,478</u>	<u>503,106</u>
Depreciation				
Charge owned for the period	<u>43,714</u>	<u>10,097</u>	<u>41,757</u>	<u>95,568</u>
At 31 March 2016	<u>43,714</u>	<u>10,097</u>	<u>41,757</u>	<u>95,568</u>
Net book value				
At 31 March 2016	<u>87,427</u>	<u>40,390</u>	<u>279,721</u>	<u>407,538</u>
At 31 March 2015	<u>131,141</u>	<u>50,487</u>	<u>208,784</u>	<u>390,412</u>

10. Debtors

	2016 £	2015 £
Trade debtors	489,535	22,805
Amounts owed by group undertakings	109,224	-
Other debtors	1,421,823	168,770
Prepayments and accrued income	1,302,803	3,000
	<u>3,323,385</u>	<u>194,575</u>

A provision for bad debts of £245,547 (2015 - £NIL) has been made against trade debtors and accrued income.

Robin Hood Energy Limited

Notes to the financial statements For the year ended 31 March 2016

11. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	596,767	-
	596,767	-
	596,767	-

12. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	1,265,033	27,014
Amounts owed to group undertakings	3,289,523	1,030,993
Accruals and deferred income	544,920	311,319
	5,099,476	1,369,326
	5,099,476	1,369,326

13. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Amounts owed to group undertakings	2,639,299	-
	2,639,299	-
	2,639,299	-

14. Share capital

	2016 £	2015 £
Authorised, allotted, called up and fully paid		
1 Ordinary share of £1	1	1
	1	1
	1	1

Robin Hood Energy Limited

Notes to the financial statements For the year ended 31 March 2016

15. Commitments under operating leases

At 31 March 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	48,560	48,560
Later than 1 year and not later than 5 years	34,557	83,284
Total	83,117	131,844

16. Energy purchase commitments

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

The company has committed to purchase energy totaling £1,958,938 (2015 - £NIL) 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.

17. 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.