



Mutual Societies Annual Return Form (AR30)

For societies registered under the Co-operative and Community Benefit Societies Act 2014

Society name:

Our Power Community Benefit Society Limited

Important information you should read before completing this form

You must use this form if you are a:

- registered society (previously referred to as an 'industrial and provident society')
- co-operative society
- community benefit society

registered under the Co-operative and Community Benefit Societies Act 2014.

You must submit this form and the society's accounts within 7 months of the end of your financial year. Failure to submit is an offence for which the society may be prosecuted.

Please note:

- we have an information note that may assist you in completing this application
- any personal details you give on the form will be placed on the society's public file.
- it is important you give accurate and complete information and disclose all relevant information. If you do not, it may take us longer to process your annual return.

Please keep a copy of the form and supporting documents for future reference.

Terms in this form

'FCA', 'PRA', 'us' and 'we' refer to the Financial Conduct Authority or Prudential Regulation Authority.

'You' refers to the person signing the form on behalf of the society.

'The 2014 Act' is the Co-operative and Community Benefit Societies Act 2014



Mutual Societies Annual Return Form (AR30)

For societies registered under the Co-operative and Community Benefit Societies Act 2014

Filling in the form

1 If you are using your computer to complete the form:

- use the TAB key to move from question to question and press SHIFT TAB to move back to the previous question; and
- print the completed form and arrange for it to be signed by all relevant individuals.

2 If you are filling in the form by hand:

- use black ink;
- write clearly; and
- arrange for it to be signed and dated by all relevant individuals.

3 If you make a mistake, cross it out and initial the changes; do not use correction fluid.

4 If you:

- leave a question blank;
- do not get the form signed; or
- do not attach the required supporting information

without telling us why, we will treat the application as incomplete. This will increase the time taken to assess your application.

5 If there is not enough space on the form, you may use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number. Any separate sheets should be signed by the signatories to the form.

6 Email a scanned copy of the signed form and supporting documents to

mutualsannrtsn@fca.org.uk

or send it by post to:

Mutuals Team
Financial Conduct Authority
25 The North Colonnade
Canary Wharf
LONDON
E14 5HS

7. Please make sure you include:

- this form
- a set of printed accounts – signed by two members and the secretary (3 signatures in total)
- an audit report or accountant's report where required; and
- any supporting documents.

1

Details of society

1.1 Details of the society

Register number	RS007058
Registered office address	4 Hay Avenue Edinburgh
Postcode	EH16 4AQ

1.2 Year end date (dd/mm/yyyy)

See Note 1.2

3	1	/	1	2	/	2	0	1	7
---	---	---	---	---	---	---	---	---	---

Committee of management

If you are a club you do not need to give a year of birth in questions 1.3-1.6.

The names of the members of the Committee at the date on which the return is signed should be entered below in BLOCK CAPITALS.

1.3 Details of Chairman

Name	William Alister Steele
Address	4 Hay Avenue Edinburgh
Postcode	EH16 4AQ
Year of birth	1957
Business occupation and other directorships	Board member Crown Estates Scotland (interim management) Trustee of Queens Hall / Trustee of LAR Housing Trust Director at Social Bite Communities Limited,

1.4 Details of Treasurer

Name	
Address	
Postcode	
Year of birth	yyyy
Business occupation and other directorships	

1.5 Details of Secretary

Name	Dawn Muspratt
Address	4 Hay Avenue Edinburgh
Postcode	EH16 4AQ
Year of birth	1961
Business occupation and other directorships	CEO Our Power CBS

1.6 Details of Members of the Committee

Name	Address	Year of birth	Business occupation and other directorships
William Banks	4 Hay Avenue Edinburgh EH16 4AQ	1958	CEO Kingdom Housing Association Limited
Judy Hamilton	4 Hay Avenue Edinburgh EH16 4AQ	1962	Councillor, Fife Council
Neil Clapperton	4 Hay Avenue Edinburgh EH16 4AQ	1961	CEO Grampian Housing Association, Board member Rural Housing Scotland, Director TLC Housing Maintenance, Director Kirkgate Development Limited
Tom Barclay	4 Hay Avenue Edinburgh EH16 4AQ	1967	Group Director of Property Wheatley Group, Scottish Government, Joint Housing Policy and Delivery Group Co- Chair, Trstee Provan Hall Trust
Robert Hokin	4 Hay Avenue Edinburgh EH16 4AQ	1956	Greenbackers Investment Capital Limited, Corporate Advisory (cleantech sector)
Andrew Aldridge	4 Hay Avenue Edinburgh EH16 4AQ	1965	EM Energy Solutions Ltd, NovAzure Ltd & CEPA Ltd, Director Boxergy Ltd, Founder, Earth Angel Investors

Please use separate sheets of paper if you need more space, following the instructions provided in section 5 above.

Please indicate how many separate sheets of paper you have used

1 - Please see
supplementary
paper.

Please continue, answering all questions.

- 1.7 Are any members of the society's committee disqualified as directors under the Company Director Disqualification Act 1986?**

☒ No
☐ Yes

- 1.8 Does the society carry out any activity which is regulated under the Financial Services and Markets Act 2000?** (e.g. accepting deposits in a form other than withdrawable shares; offering insurance products; undertaking residential mortgage business). If 'yes' please state the society's Financial Services Register firm reference number

☒ No
☐ Yes

Financial Services Register firm reference number

- 1.9 Is the society a subsidiary of another society?**

☒ No
☐ Yes

- 1.10 Does the society have one or more subsidiaries?**

☐ No
☒ Yes

- 1.11 Is the society currently accepted by the HM Revenue and Customs as a charity for tax purposes?**

☒ No
☐ Yes

Please confirm you have attached a copy of the letter from HM Revenue and Customs confirming charitable tax status:

☐ Yes

- 1.12 Is this society a charity registered with the Office of the Scottish Charity Regulator (OSCR)?**

☒ No
☐ Yes ▶ provide your Scottish Charity number below

- 1.13 Is the society registered with one of the following (please tick)?**

- ☐ Homes and Communities Agency
☐ The Welsh Ministers
☐ Scottish Housing Regulator

If so, please provide your register number

All societies must answer the following questions:

- if a **bona fide co-operative society** go to question 1.14
- if **existing for the benefit of the community** go to question 1.19

Bona fide co-operative society

1.14 How did members benefit from the business, industry or trade of the society during the year?

1.15 Is membership of the society required to obtain the benefits offered by it?

- ☐ Yes
☐ No

1.16 In what way did members participate in an ongoing basis in the society's primary business during the year?

1.17 How did members democratically control the society?

--

1.18 How did the society use any surplus/profit?

If the society distributed the surplus/profit to members please explain how this was done.

--

Please use separate sheets of paper if you need more space (see section 5 above)

Please indicate how many separate sheets of paper you have used.

--

Continue to 2.1

Community benefit society

1.19 Who are the community the society benefited?

Tenants in social housing owned by Our Power members and the communities they serve.

1.20 How did the society benefit that community during the year?

Provision of lower cost electricity and gas supply and installation of smart meters to domestic households living in social housing and their communities.

1.21 How did the society use any surplus/profit?

The society will reinvest any profits generates in the year to fund future development opportunities. In the reported year, the society reported a loss.

Please use separate sheets of paper if you need more space (see section 5 above).
Please indicate how many separate sheets of paper you have used.

Continue to 2.1

2 Statistics

Account details

2.1 You must enter the figures below

See notes for help on items E-T. Enter NIL where applicable

A	Members at beginning of year	52
B	Members ceased during year	NIL
C	Members admitted during year	2
D	Members at end of year	54
E	Turnover for year	1,000
F	Total of income and expenditure (receipts and payments added together)	(26,000)
G	Net surplus/(deficit) for year	(26,000)
H	Fixed assets	NIL
I	Current assets	15,228,000
J	Total assets (equal to amount in row O, below)	15,228,000
K	Current liabilities	786,000
L	Share capital	54
M	Long-term liabilities	14,389,000
N	Reserves	53,000
O	Total liabilities, share capital & reserves (K+L+M+N) (equal to amount in J above)	15,228,000
All societies (excluding clubs) must complete boxes P-T		
P	Investments in other registered societies	NIL
Q	Loans from members	NIL
R	Loans from Employees' Superannuation Schemes	NIL
S	Dividends on sales	NIL
T	Share interest	NIL

2.2 Names of subsidiaries as defined in sections 100 and 101 of the Co-operative and Community Benefit Societies Act 2014

Our Power (Energy) Limited
Our Power Energy Supply Limited
Our Power (Heat) Ltd
Our Power (Meters) Ltd
Our Power (Generation) Ltd
Our Power (Group) Ltd

2.3 Names of subsidiaries not dealt with in group accounts (if any) and reasons for exclusions (as approved by the FCA)

The society must have written authority from us to exclude a subsidiary from group accounts

3

The audit

3.1 Type of audit used for the attached accounts.

If the society has used a full professional audit or an accountant's report then the report must be prepared by a registered auditor.

- ☒ Full professional audit ▶ Continue to section 4
- ☐ Accountant's report ▶ Complete questions 3.2 and 3.3
- ☐ Lay audit ▶ Complete questions 3.2 and 3.3
- ☐ Unaudited ▶ Complete questions 3.2 and 3.3

3.2 Do the society's registered rules allow the society not to undertake a full professional audit?

- ☐ No
- ☐ Yes

3.3 Has the membership passed at a general meeting a resolution allowing the society not to undertake a full professional audit for the year of account in question? (In accordance with section 84 of the Co-operative and Community Benefit Societies Act 2014)

- ☐ No
- ☐ Yes

4 Accounts and signature

Accounts

- 4.1 Date on which the accounts and balance sheet will be/were laid before the AGM (dd/mm/yyyy)

2 0 / 0 6 / 2 0 1 8

- 4.2 Has your society produced accounts to the minimum standard required?

- ☒ Yes ▶ you must confirm that you have attached the accounts and the audit/accountant's report bearing the original signatures of the auditor (if required by law), the secretary and the two committee members. ☐ Attached
- ☐ No ▶ you must produce accounts to the minimum standard required, see notes for details.

Signature – all societies to complete

- 4.3 The Secretary of the society must sign and date below

I certify that the information in this form is correct to the best of my knowledge and belief.

Name	Dawn Muspratt
Signature	
Phone number	0131 357 9692
Email	dawn.muspratt@our-power.co.uk
Date	dd/mm/yy 24/07/18 

Mutual Societies Return Form (AR30)

Our Power Community Benefit Society Ltd.

24th July 2018

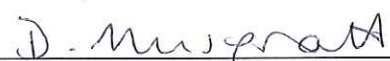
Supplementary Paper.

1 – Details of Society:

1.6 Details of Members of the Committee (continued from page 4).

Name	Address	Year of Birth	Business Occupation and other directorships
John Duncan	4 Hay Avenue Edinburgh EH16 4AQ	1961	Director of Property Assets at Eildon Housing Association
Angela Linton	4 Hay Avenue Edinburgh EH16 4AQ	1965	CEO/Director Hillcrest Housing Association
John Watt	4 Hay Avenue Edinburgh EH16 4AQ	1958	Non-Executive Director Zero Waste Scotland and Ethical Finance Hub
Andrew Bissell	4 Hay Avenue Edinburgh EH16 4AQ	1965	CEO Director Sunamp

Name: **Dawn Muspratt**

Signature: 

Date: **24th July 2018**

Our Power Community Benefit Society Limited

Report and Consolidated Financial Statements

For the year ended 31 December 2017

Registered Number: RS007058

Our Power Community Benefit Society Limited

**Report and financial statements
for the year ended 31 December 2017**

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Our Power Community Benefit Society Limited

Report and financial statements for the year ended 31 December 2017

Company Information

Statutory Information

Our Power Community Benefit Society Limited is a company incorporated in Scotland, registration number RS007058. The registered office and principal place of business is at 4 Hay Avenue, Edinburgh, EH16 4AQ.

Directors

The directors who held office during the year and up to the date of signing of the financial statements are:

William Alister Steele
Dawn Muspratt
Andrew Bissell (Resigned 25 January 2018)
William Banks
John Watt (Resigned 27 September 2017)
Cllr Judy Hamilton
Neil Clapperton
Tom Barclay
Robert Hokin
Andrew Aldridge (Appointed 27 September 2017)
Angela Linton
John Duncan

Chairman

William Alister Steele

Secretary

Dawn Muspratt

Auditor

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

Bankers

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

Lawyers

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

Harper Macleod
The Ca'd'oro, 45 Gordon Street
Glasgow
G1 3PE

Our Power Community Benefit Society Limited

Report and financial statements for the year ended 31 December 2017

Directors' Report

Directors

The Directors who were in place during the period are set out on page 2.

Auditor

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement of Disclosure to Auditor

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 auditor is aware of that information. The directors are not aware of any relevant audit information of which the company's auditor is unaware.

Small Companies' Exemption

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Principal Activities

Our Power Community Benefit Society Limited is a not-for-profit energy supplier. We are owned by social housing providers, community organisations and local authorities. Our aim is to make energy fairer for all members of society. We aim to reduce heat and fuel costs by passing benefits from the energy sector on to our communities by finding the most efficient ways to operate, generating our own power and reinvesting any profits to benefit our customers and their communities.

Approval

This Directors' Report was approved by order of the Board on 20th June 2018 and signed on its behalf.



Alister Steele

Director

Our Power Community Benefit Society Limited

Report and financial statements for the year ended 31 December 2017

Statement of Directors' Responsibilities

Directors' responsibilities

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

The Co-operative and Community Benefit Societies Act 2014 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 the Co-operative and Community Benefit Societies Act 2014 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 group and the society and of the profit or loss of the group and the society for that period.

In preparing those 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the Society's transactions and disclose with reasonable accuracy at any time the financial position of the group and the Society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the group and the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Our Power Community Benefit Society Limited

**Report and financial statements
for the year ended 31 December 2017**

Independent Auditor's Report to the Members of Our Power Community Benefit Society Limited

Opinion

We have audited the financial statements of Our Power Community Benefit Society Limited (the 'parent society') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise Consolidated Statement of Income and Retained Earnings, Society Statement of Income and Retained Earnings, Consolidated Statement of Financial Position, Society Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group and parent society's affairs as at 31 December 2017 and of the income and expenditure of the Group and the income and expenditure of the parent society for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to the going concern accounting policy as set out on page 12 in the financial statements, which indicates that the Group incurred an operating loss of £4,988k during the year ended December 31, 2017 and, as of that date, the Group's current liabilities exceeded its total assets by £8,504k. As stated on page 12, these events or conditions, along with the need for additional funding in the region of £7m to allow the group to continue to operate for a minimum of 12 months from the date of approval of these financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The committee of management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other

Our Power Community Benefit Society Limited

Report and financial statements for the year ended 31 December 2017

Independent Auditor's Report to the Members of Our Power Community Benefit Society Limited (continued)

information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- proper books of account have not been kept by the Society in accordance with section 75; or
- a satisfactory system of control over transactions has not been maintained by the Society in accordance with section 75; or
- the revenue account or other accounts (if any) to which our report relates, and the balance sheet are not in agreement with the books of account of the Society; or
- we have not obtained all the information and explanations which, to the best of our knowledge and belief, we consider necessary for the purposes of our audit.

Responsibilities of the Committee of Management

As explained more fully in the Statement of the Committee of Management's Responsibilities set out on page 4, the committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the committee is responsible for assessing the group's and the parent society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intend to liquidate the group or the parent society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our Power Community Benefit Society Limited

Report and financial statements for the year ended 31 December 2017

Independent Auditor's Report to the Members of Our Power Community Benefit Society Limited (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Society's members, as a body, in accordance with the provisions of section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Society'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 responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report or for the opinion we have formed.



RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
First Floor, Quay 2,
139 Fountainbridge,
Edinburgh,
EH3 9QG

Date: 25/4/18

Our Power Community Benefit Society Limited

Report and financial statements for the year ended 31 December 2017

Consolidated Statement of Income and Retained Earnings

For the year ended 31 December 2017

		Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000
	Note		
Turnover		3,935	185
Cost of Sales		(5,046)	(412)
Gross loss		(1,111)	(227)
Administrative expenses		(3,115)	(1,432)
Operating costs		(763)	(269)
Other operating income		1	26
Operating loss		(4,988)	(1,902)
Interest receivable and similar income		-	-
Interest payable and similar charges		(515)	(282)
Loss on ordinary activities before taxation	3,4	(5,503)	(2,184)
Taxation on loss on ordinary activities		-	-
Loss for the financial year		(5,503)	(2,184)
Deficiency of Retained Earnings at beginning of period		(3,001)	(817)
Deficiency of Retained Earnings at end of period		(8,504)	(3,001)

The notes on page 12 to 22 form part of these financial statements.

Our Power Community Benefit Society Limited

Report and financial statements for the year ended 31 December 2017

Society Statement of Income and Retained Earnings

For the year ended 31 December 2017

	Society Year ended 31 December 2017 £'000	Society Year ended 31 December 2016 £'000
Note		
Administrative expenses	(27)	(45)
Other Operating income	1	26
Operating loss	(26)	(19)
Interest receivable and similar income	515	282
Interest payable and similar charges	(515)	(282)
Loss on ordinary activities before taxation	(26)	(19)
3,4		
Taxation on loss on ordinary activities	-	-
Loss for the financial year	(26)	(19)
Retained Earnings at beginning of period	79	98
Retained Earnings at end of period	53	79

The notes on page 12 to 22 form part of these financial statements.

Our Power Community Benefit Society Limited

Report and financial statements for the year ended 31 December 2017

Society Statement of Financial Position

As at 31 December 2017

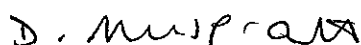
Company number: RS007058

		Society 31 December 2017 £'000	Society 31 December 2016 £'000
	Note		
Fixed Assets			
Investments	7	-	-
Current assets			
Debtors	8	14,855	4,039
Cash at bank and in hand		373	51
		15,228	4,090
Creditors: amounts falling due within one year	9	(786)	(109)
Net current assets		14,442	3,981
Total assets less current liabilities		14,442	3,981
Creditors: amounts falling due after more than one year	10	(14,389)	(3,902)
Net assets		53	79
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account		53	79
Shareholders' funds		53	79

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 20th June 2018.

Signed on behalf of the board of directors



Dawn Muspratt
Director
20th June 2018



Alister Steele
Director
20th June 2018

The notes on page 12 to 22 form part of these financial statements.

Our Power Community Benefit Society Limited

Report and financial statements for the year ended 31 December 2017

Consolidated Statement of Financial Position

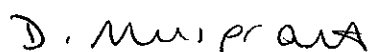
As at 31 December 2017

Company number: RS007058		Group 31 December 2017 £'000	Group 31 December 2016 £'000
	Note		
Goodwill			
Goodwill and Licences	5	144	152
Fixed assets			
Tangible Assets	6	80	41
		<u>224</u>	<u>193</u>
Current assets			
Debtors	8	5,419	575
Cash at bank and in hand		<u>3,633</u>	<u>593</u>
		<u>9,052</u>	<u>1,168</u>
Creditors: amounts falling due within one year	9	<u>(3,374)</u>	<u>(443)</u>
Net current assets		<u>5,678</u>	<u>725</u>
Total assets less current liabilities		<u>5,902</u>	<u>918</u>
Creditors: amounts falling due after more than one year	10	<u>(14,389)</u>	<u>(3,902)</u>
Provision for liabilities	12	<u>(17)</u>	<u>(17)</u>
Net liabilities		<u>(8,504)</u>	<u>(3,001)</u>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account		<u>(8,504)</u>	<u>(3,001)</u>
Shareholders' deficiency of funds		<u>(8,504)</u>	<u>(3,001)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 20th June 2018.

Signed on behalf of the board of directors



Dawn Muspratt
Director
20th June 2018



Alister Steele
Director
20th June 2018

The notes on page 12 to 22 form part of these financial statements.

Our Power Community Benefit Society Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (*continued*)

Notes forming part of the financial statements

1. Accounting Policies

Company information

Our Power Community Benefit Society Limited is a company domiciled in Scotland, registration number RS007058. The registered office is at 4 Hay Avenue, Edinburgh, EH16 4AQ.

The company is a registered Society that meets the definition of a Public Benefit Entity.

The financial statements have been prepared in accordance with section 1A of FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS102 have been applied other than where additional information is required to show a true and fair view.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise stated.

Going Concern

The financial statements have been prepared on a going concern basis. The group incurred trading losses of £4,988k for the year ended 31 December 2017 (2016: losses of £1,902k). The group has net liabilities of £8,504k (2016: net liabilities of £3,001k).

After careful consideration of forecast cash flows and expected trading performance, the Directors believe that the group requires further funding in the region of £7m in order to be able to meet its liabilities as they fall due, for a period of at least 12 months from the date of approval of these financial statements. Whilst the Directors are currently in discussions with a number of potential new investors as well as their current lenders and stakeholders in order to raise additional financing, there is no guarantee at present that this will be obtained. The group has a strong track record of sourcing funding and the Directors are working through significant cost saving and cashflow management plans to assist in actively managing the day to day cash of the group. The Directors have therefore concluded that it is appropriate to adopt the going concern basis for the preparation of these financial statements.

Basis of Consolidation

The group financial statements consolidate the financial statements of Our Power Community Benefit Society Limited and all its subsidiary undertakings drawn up to each year ending 31 December.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

Our Power Community Benefit Society Limited

Notes forming part of the financial statements for the year ended 31 December 2017 (*continued*)

1. Accounting Policies (*continued*)

The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

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. Any unbilled amounts older than 6 months are automatically written off.

Intangible assets

Intangible assets are initially measured at cost and subsequently measured at cost or valuation net of accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on all intangible assets so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Licences	20 years
Goodwill	20 years

The positive Goodwill and recognised licence intangible asset relate to the historic acquisition of Our Power Energy Supply Limited. The assets are assessed annually for indicators of impairment and any impairment identified will be charged to the statement of income. No impairment was identified in the current year.

Property, plant and equipment – depreciation

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation net of accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on all tangible fixed assets so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Fixtures, fittings, tools and equipment	3-5 years
Computers	3 years

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

Our Power Community Benefit Society Limited

Notes forming part of the financial statements for the year ended 31 December 2017 (*continued*)

1. Accounting Policies (*continued*)

Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Investments

Investments comprise investments in unquoted equity instruments which are measured at fair value. Changes in fair value are recognised in profit or loss. Fair value is estimated by using a valuation technique.

Financial Instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of Financial Liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic Financial Liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at

Our Power Community Benefit Society Limited

Notes forming part of the financial statements for the year ended 31 December 2017 (*continued*)

1. Accounting Policies (*continued*)

transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Bonds are recognised at the transaction price within the company. Any drawdown amounts received are transferred to Our Power Energy Supply Limited in the form of an intercompany loan. Any amounts not received at the year end are held within other debtors (note 8).

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Current and deferred taxation

The tax expense for the period comprises the sum of the current and deferred tax expense.

Current tax is based on the taxable profit in the year. Taxable profit differs from the total income because it excludes items of income and expenditure that are taxable or deductible in other periods.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the company can control their reversal and such reversal is not considered probable in the foreseeable future.

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.

Our Power Community Benefit Society Limited

Notes forming part of the financial statements for the year ended 31 December 2017 (*continued*)

1. Accounting Policies (*continued*)

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered by reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the company's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- No indicators of impairment were identified as at the date of these financial statements or as at the date of Directors' approval of these financial statements.

Other key sources of estimation uncertainty

- **Income recognition**

The nature of the energy supply industry that the group operates in is such that revenue recognition is subject to a degree of estimation. Calculation of revenue generated from gas and electricity supply include an estimate of the value of electricity and gas supplied to the customer based on data provided by the industry. This will include estimated annual consumption values applied in both electricity and gas industries.

- **Deferred tax asset**

The recognition of deferred tax assets, particularly in relation to losses carried forward, requires judgment as to the future profitability of the Society or profits generated elsewhere in the consolidated group headed by Our Power Community Benefit Society Limited, the ultimate controlling party of the Society and group. No amount has currently been recognised.

3. Loss on ordinary activities before taxation

This is arrived at after charging fees payable:

	Company 2017 £'000	Company 2016 £'000	Group 2017 £'000	Group 2016 £'000
Fees payable to the Society's auditor for the audit of the company's annual accounts	5	5	21	19
Interest receivable from group undertakings	(515)	(282)	-	-

Our Power Community Benefit Society Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (*continued*)

4. Employees

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

By activity:	Company 2017	Company 2016	Group 2017	Group 2016
Operations	-	-	21	9
Administration	2	2	14	6

5. Intangible assets

Group	Goodwill £'000	Licences £'000	Total £'000
Cost or valuation			
As at 1 January 2017	63	100	163
Additions	-	-	-
At 31 December 2017	63	100	163
Amortisation			
As at 1 January 2017	3	8	11
Provided during the year	3	5	8
At 31 December 2017	6	13	19
Carrying amount			
At 31 December 2017	57	87	144
At 31 December 2016	60	92	152

Our Power Community Benefit Society Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (*continued*)

6. Tangible fixed assets

Group	Fixtures, fittings, tools and equipment £'000	Total £'000
Cost or valuation		
As at 1 January 2017	54	54
Additions	63	63
Disposals	(1)	(1)
At 31 December 2017	116	116
Depreciation		
As at 1 January 2017	13	13
Provided during the year	24	24
Disposals	(1)	(1)
At 31 December 2017	36	36
Carrying amount		
At 31 December 2017	80	80
At 31 December 2016	41	41

No tangible fixed assets as at 31 December 2017 are held under finance leases or hire purchase contracts (2016: none). No tangible fixed assets were held by the parent company as at 31 December 2017.

7. Investments held as Fixed Assets – Company

Subsidiary undertakings, associated undertakings and other investments

Our Power Community Benefit Society Limited holds 100% of the ordinary share capital of the following companies incorporated in Scotland, all of which are included in the consolidation:

Name	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held
Our Power (Energy) Limited	Scotland	100%
Our Power (Heat) Ltd	Scotland	100%
Our Power (Meters) Ltd	Scotland	100%
Our Power (Generation) Ltd	Scotland	100%
Our Power (Group) Ltd	Scotland	100%

The only company that has traded during the period to 31 December 2017 is Our Power (Energy) Limited, and its nature of business is Energy Supply. The other companies are dormant.

The parent company is the ultimate parent company of Our Power Energy Supply Limited, as a result of Our Power (Energy) Limited holding 100% of Our Power Energy Supply Limited's share capital. Our Power Energy Supply Limited is incorporated in England and its nature of business is Energy Supply, which traded during the year ended 31 December 2017.

Our Power Community Benefit Society Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (*continued*)

8. Debtors

	Company 2017 £'000	Company 2016 £'000	Group 2017 £'000	Group 2016 £'000
Amounts owed within one year				
Trade Debtors	-	-	730	12
Other Debtors	2,894	1	4,179	104
Prepayments and accrued income	1	1	1,286	459
Amounts owed by group undertakings:				
Trading and working capital	135	135	-	-
Interest-bearing loan	156	-	-	-
Interest-free loan	173	-	-	-
	<u>3,359</u>	<u>137</u>	<u>5,419</u>	<u>575</u>

Other debtors include £2,892k held in relation to the Social Impact Bond (note 10).

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

The Group interest-free loan was entered into during 2015 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 payable of £10,000 in the year (2016: net interest payable of £9,000).

	Company 2017 £'000	Company 2016 £'000	Group 2017 £'000	Group 2016 £'000
Amounts owed after one year				
Amounts owed by group undertakings:				
Interest-bearing loan	11,496	3,739	-	-
Interest-free loan	-	163	-	-
	<u>11,496</u>	<u>3,902</u>	<u>-</u>	<u>-</u>

Our Power Community Benefit Society Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (*continued*)

9. Creditors: amounts falling due within one year

	Company	Company	Group	Group
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Trade Creditors	7	13	1,124	87
Amounts owed to group undertakings	438	73	-	-
Taxation and social security	6	6	44	21
Accruals and deferred income	6	17	1,877	335
Social Impact Loans	329	-	329	-
	<u>786</u>	<u>109</u>	<u>3,374</u>	<u>443</u>

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

10. Creditors: amounts falling after more than one year

	Company	Company	Group	Group
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Social Impact Loans	9,957	3,902	9,957	3,902
Social Impact Bond	4,432	-	4,432	-
	<u>14,389</u>	<u>3,902</u>	<u>14,389</u>	<u>3,902</u>

11. Loans

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

Group and company	2017	2016
	£'000	£'000
Within one year	329	-
In more than one year but not more than two years	373	255
In more than two years but not more than five years	7,539	1,453
More than five years	6,477	2,194
	<u>14,718</u>	<u>3,902</u>

Our Power Community Benefit Society Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

11. Loans (continued)

During the period, the group borrowed funds from its funders:

Funders	Principal drawdown	Accrued interest	Amortised cost adjustment	Total
	2017 £'000	2017 £'000	2017 £'000	2017 £'000
Social Impact Loans:				
Interest bearing loan	9,650	463	-	10,113
Interest-free loan	180	-	(7)	173
Social Impact Bond:				
Interest bearing bond	4,432	-	-	4,432
	<u>14,262</u>	<u>463</u>	<u>(7)</u>	<u>14,718</u>

The Group interest-free loan was entered into during 2015 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 payable of £10,000 in the year (2016: net interest payable of £9,000), the loan is due to be repaid December 2018.

Loans due to SIS (Community Finance) Limited contains a floating charge which covers all the property and undertakings of the group.

12. Provisions for liabilities

Group	Deferred tax £'000	Total £'000
Balance at 1 January 2017	17	17
Additional provisions made in the period	-	-
Charged to profit and loss account in year	-	-
Reversed in year	-	-
Balance at 31 December 2017	<u>17</u>	<u>17</u>

13. Share capital

Allotted, called up and fully paid 1 ordinary share of £1	2017 £	2016 £
	<u>54</u>	<u>52</u>
Ordinary shares of £1 each in issue	2017 Number	2016 £
At 1 January 2017	52	37
Ordinary share issue in year	2	15
At 31 December 2016	<u>54</u>	<u>52</u>

Our Power Community Benefit Society Limited

Notes forming part of the financial statements for the year ended 31 December 2017 (*continued*)

14. Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases for plant and machinery are as follows:

Amounts due:	2017	2016
	£'000	£'000
Within one year	17	23
Between one and five years	-	11
	<u>17</u>	<u>34</u>

15. Related party transactions

Parent entity Our Power Community Benefit Society Limited is the ultimate controlling party of the companies consolidated within these financial statements (registered address 4 Hay Avenue, Edinburgh, EH16 4AQ).

It is deemed that Our Power Community Benefit Society Limited has no ultimate controlling party with no party holding more than 5% of the allocated shares of the Company.

Transactions between the company and its related parties are:

	Other 2017 £'000	Other 2016 £'000
Recharges in the year	<u>-</u>	<u>-</u>
Amounts owed to related parties at 31 December	<u>176</u>	<u>176</u>

During the year Key Management Personnel invested in the bond for an amount of £9,900.

