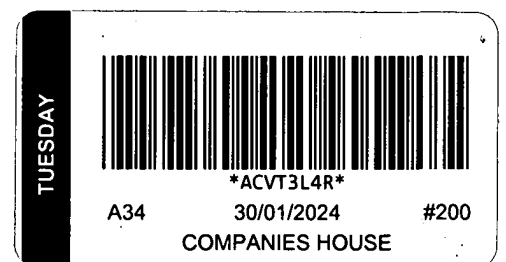


Co-op Community Energy Limited

Annual report and financial statements

For the year ended 30 April 2023

Registered number: 12200005



COMPANY INFORMATION

Directors

P Westall
Z L North-Bond
M Bunney
E M Hieron

Company Registration Number

12200005

Registered Office

UK House,
5th Floor,
164-182 Oxford Street,
London,
W1D 1NN

Bankers

Barclays Bank PLC
One Snowhill,
Snowhill Queensway,
Birmingham
B4 6GN

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DIRECTORS' REPORT

For the year ended 30 April 2023

The directors present the annual report on the financial statements of Co-op Community Energy Limited ("the Company") for the year ended 30 April 2023.

Principal activity

The Company's principal activity is to source electricity from community based renewable generation and to support the retail of community energy backed tariffs to end consumers.

Going concern

The Company is currently in a net asset position and has the ongoing support of its parent companies Octopus Energy Group Limited and The Midcounties Cooperative Limited, to provide capital contribution sufficient to support both the existing liabilities and the ongoing funding of the Company.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors

The directors who served throughout the year were as follows:

P Westall
Z L North-Bond
M Bunney
E M Hieron

Directors' responsibilities:

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

- The directors have not required the Company to obtain an audit of its accounts for the period in question in accordance with Section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

Small companies provision statement

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

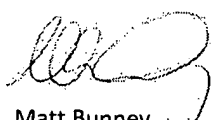
DIRECTORS' REPORT (CONTINUED)

For the year ended 30 April 2023

Directors' statements for audit exemption

For the period ended 30 April 2023, the Company was entitled to an exemption from audit under Section 477 of the Companies Act 2006 relating to small companies where the members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with Section 476. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

Approved by the Board and signed on its behalf by:



Matt Bunney

Director

30 January 2024

Registered office:

UK House,
5th Floor,
164-182 Oxford Street,
London,
W1D 1NN

DIRECTORS' RESPONSIBILITIES STATEMENT

For the year ended 30 April 2023

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

PROFIT AND LOSS ACCOUNT

For the year ended 30 April 2023

		2023	2022
	Notes	£'s	£'s
Turnover	5	530,335	196,188
Cost of sales		(143,985)	(157,553)
Gross Profit/(Loss)		386,350	38,635
Administrative expenses		(137,783)	(161,577)
Profit/(Loss) before tax	6	248,567	(122,942)
Tax credit/(charge)	8	69,513	-
Profit/(Loss) for the financial year		318,080	(122,942)

All amounts relate to continuing operations.

There is no other comprehensive income or loss and as such no separate statement of other comprehensive income or loss have been prepared.

The notes on pages 9 to 15 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

At 30 April 2023

	Notes	2023 £'s	2022 £'s
CURRENT ASSETS			
DEBTORS: amounts falling due within one year	9	1,275,651	87,352
Cash: at bank and in hand		160,424	405,143
Deferred tax	8	69,513	-
		<u>1,505,588</u>	<u>492,495</u>
CREDITORS: amounts falling due within one year	10	(1,115,469)	(420,456)
NET CURRENT ASSETS/(LIABILITIES)		<u>390,119</u>	<u>72,039</u>
CAPITAL AND RESERVES			
Called-up share capital	11	200,000	200,000
Capital contributions	11	400,000	400,000
Profit and loss account		(209,881)	(527,961)
SHAREHOLDERS' FUNDS/(DEFICIT)		<u>390,119</u>	<u>72,039</u>

The notes on pages 9 to 15 form part of these financial statements.

For the period ending 30 April 2023, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the Company to obtain an audit of its accounts for the period in question in accordance with Section 476. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements of Co-op Community Energy Limited (registered number: 12200005) were approved by the Board of Directors and authorised for issue on 30 January 2024. The accounts have been prepared in accordance with the provisions applicable to companies entitled to the small companies regime. They were signed on its behalf by:



Matt Bunney

Director

Registered office:

UK House, 5th Floor, 164-182 Oxford Street, London, W1D 1NN

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2023

	Called-up share capital £'s	Capital Contribution £'s	Profit and loss account £'s	Total £'s
At 1 May 2021	200,000	-	(405,019)	(205,019)
Total profit/(loss) for the year	-	-	(122,942)	(122,942)
Capital contribution	-	400,000	-	400,000
At 30 April 2022	200,000	400,000	(527,961)	72,039
At 1 May 2022	200,000	400,000	(527,961)	72,039
Total profit/(loss) for the year	-	-	318,080	318,080
Capital contribution	-	-	-	-
At 30 April 2023	200,000	400,000	(209,881)	390,119

The notes on pages 9 to 15 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2023

1. Company information

Co-op Community Energy Limited is a private Company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is shown on the Company information page and its principal activities are outlined in the Directors' report.

2. Accounting Policies

2.1 Basis of preparation of financial statements accounting and preparation of financial statements

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis unless otherwise specified within these accounting policies.

The functional currency of the Company is considered to be pounds sterling (£) because that is the currency of the primary economic environment in which the Company operates.

2.2 Financial reporting standard 102 – small entities

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the following disclosure exemptions available to it in respect of its separate financial statements:

- (a) The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- (b) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d);
- (c) The requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- (d) The requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A
- (e) The requirement of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of its parent Company Octopus Energy Group Limited as at 30 April 2023, which may be obtained from the registered office UK House, 5th Floor, 164-182 Oxford Street, London, W1D 1NN.

2.3 Going concern

The Company is currently in a net asset position and has the ongoing support of its parent companies Octopus Energy Group Limited and The Midcounties Cooperative Limited, to provide capital contribution sufficient to support both the existing liabilities and the ongoing funding of the Company.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 April 2023

3. Significant judgements and estimates

In the application of the Company's accounting policies, which are described below, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no significant accounting judgements or estimates required to be made in preparing this set of financial statements.

4. Principal accounting policies

4.1 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recorded at the fair value of the consideration received or receivable.

There are two revenue streams to the Company which are as follows:

- i. *The sale of renewable power via the origination of power purchase agreements.*

Revenue is recognised in line with generation volume outputs.

- ii. *Commission earned on customer referrals to Octopus Energy Limited.*

Revenue is recognised at the point of completion of each customer sign up.

4.2 Taxation

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

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

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

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

Deferred tax assets and liabilities are not discounted.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 April 2023

4.3 Debtors

Short term debtors are measured at transaction price, less any impairment.

4.4 Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including loans, are measured initially at fair value and are measured subsequently at amortised cost using the effective interest method.

4.5 Pensions

The Company operates a defined contribution pension scheme for employees and the pension charge represents the amounts payable by the Company to the scheme in respect of the period. These costs are included as part of staff costs (see note 7) and pension (see note 12). Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

5. Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes the sale of renewable power via the origination of power purchase agreements and commissions that are earned on customer referrals to Octopus Energy Limited.

6. Loss before Taxation

Loss before taxation is stated after charging:

	2023	2022
	£'s	£'s
Staff and consultancy costs	74,757	80,802
Advertising costs	30,879	40,413
Travel and entertainment	9,163	2,548
IT consumables and licences	1,841	3,875
Other expenses	21,143	33,939
	137,783	161,577

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 April 2023

7. Staff costs

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

	2023	2022
Employees	3	3

Their aggregate remuneration comprised:

	2023 £'s	2022 £'s
Wages and salaries	179,585	203,368
Social security costs	23,413	23,386
Other pension costs (see note 12)	3,744	3,663
	<u>206,742</u>	<u>230,417</u>

Included in the above is wages and salaries reported in cost of sales of £131,985 (2022: £149,615).

8. Taxation

Factors affecting the tax charge/(credit) for the period:

Current tax:	2023 £'000	2022 £'000
Current Tax (see note below)		
UK corporation tax at 19.49%	-	-
Total current	-	-
Deferred Tax		
Origination and reversal of timing differences	(69,513)	-
Total tax charge/(credit)	(69,513)	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 April 2023

The credit / (charge) for the period can be reconciled to the profit as follows:

	2023 £'s	2022 £'s
Profit/(loss) before tax	248,567	(122,942)
Tax on profit/(loss) on ordinary activities at standard CT rate of 19.49% (2022: 19%)	48,454	(23,359)
Effects of:		
Expenses not deductible for tax purposes	131	-
Remeasurement of deferred tax for changes in tax rates	13,725	31,510
Movement in unrecognised DT	(131,823)	(54,869)
Total tax (credit)/charge for the year	(69,513)	-

The standard rate of tax applied to the reported profit on ordinary activities is 19.49% (2022: 19%). Deferred tax has been calculated at 25% at 30 April 2023 as this rate has been enacted at the balance sheet date, effective from 1 April 2023.

9. Debtors

	2023 £'s	2022 £'s
Amounts falling due within one year:		
Amounts owed by related party	800	-
Amounts owed by group undertakings	189,881	11,126
Other debtors	1,000,000	76,226
Prepayments and accrued income	84,970	-
	<u>1,275,651</u>	<u>87,352</u>

Other debtors include a £1,000,000 short term loan to Bristol Energy Limited (2022: £nil).

Amounts owed by group undertakings represents £189,881 owing from Octopus Energy Limited (2022: £11,126).

10. Creditors

	2023 £'s	2022 £'s
Amounts falling due within one year:		
Trade creditors	182,009	5,760
Other creditors	14,661	114
Amounts owed to related party	406,843	192,182
Amounts owed to group undertaking	500,000	200,000
Accruals and deferred income	11,956	22,400
	<u>1,115,469</u>	<u>420,456</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 April 2023

Amounts owed to related party The Midcounties Co-operative Limited includes a short-term loan of £500,000.
 Amounts owed to group undertaking includes a short-term loan of £500,000 to Octopus Energy Limited.

11. Called-Up Share Capital

	2023 £'s	2022 £'s
Allotted, called-up and paid		
'A' Ordinary shares of £1 each	100,000	100,000
'B' Ordinary shares of £1 each	100,000	100,000
	<u>200,000</u>	<u>200,000</u>

At incorporation, the existing 2 Ordinary shares of £1 each were redesignated into 1 each of A and B Ordinary shares of £1 each. 99,999 of each of the A and B Ordinary shares of £1 were allotted on the same date.

12. Retirement benefit schemes

The Company operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company under the control of trustees. Contributions accrue to the scheme for qualifying employees during the dates of their contracts of employment.

Contributions are usually made as a percentage of an individual employee's gross annual salary. The total costs charged to the Profit and loss of £3,744 (2022: £3,663) represents contributions payable to the scheme by the Company.

13. Joint venture parties and ultimate controlling party

The Company is a joint venture between Octopus Energy Group Limited and The Midcounties Co-operative Limited.

Octopus Energy Group Limited is incorporated in the United Kingdom and registered in England and Wales, copies of these financial statements can be obtained from the registered office: UK House, 5th Floor, 164-182 Oxford Street, London, W1D 1NN.

The Midcounties Co-operative Limited is a registered society, copies of these financial statements can be obtained from registered office: UK House, 5th Floor, 164-182 Oxford Street, London, W1D 1NN.

Name of joint venture party	Description of shares held	Proportion of nominal value of ordinary shares held	Accounting year end
Octopus Energy Group Limited	Ordinary	50%	30 April
The Midcounties Co-operative Limited	Ordinary	50%	26 January

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 April 2023

14. Related Party Transactions

Identity of the related parties with which the Company has transacted:

At 30 April 2023, the Company owed £545,122 (2022: £192,181) to The Midcounties Co-operative Limited and £310,119 (2022: £11,126) to Octopus Energy Limited.

15. Subsequent events

Since the balance sheet date, the short term loan owing from Bristol Energy Limited has been repaid to the Company as well as the two £500,000 short term loans owing from the Company to The Midcounties Co-operative Limited and Octopus Energy Limited also being repaid.

The directors are not aware of any other matters or circumstances that have significantly or may significantly affect the Company.