

Open Energi Limited

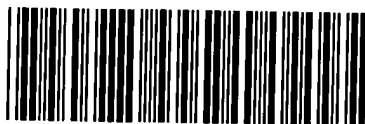
Directors' Report and Financial Statements

Fifteen Months Ended

31 December 2017

Company Number 03838585

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Open Energi Limited

Company Information

Directors	S. Brooke M. King (resigned 23 January 2017) G. Holmes (resigned 23 January 2017) R. Haddon (appointed 16 January 2017)
Company secretary	T. Saul
Registered number	03838585
Registered office	239 Old Marylebone Road London NW1 5QT
Independent auditors	BDO LLP 55 Baker Street London W1U 7EU
Bankers	Barclays Bank 12 Market Street Hertford Herts SG14 1BD
Solicitors	Osborne Clarke LLP One London Wall London EC2Y 5EB

Open Energi Limited

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Open Energi Limited

Directors' Report For the Fifteen Months Ended 31 December 2017

The Directors present their report and the financial statements for the fifteen months ended 31 December 2017.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 for the Company's financial statements and then apply them consistently;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the fifteen months, after taxation, amounted to £6,320,141 (2016 - loss £8,842,728). This result included impairment adjustments to stock and work-in-progress and to tangible fixed assets which had been purchased in prior years, amounting to £624,943.

The Directors do not recommend payment of a dividend (2016: £nil).

Directors

The Directors who served during the fifteen months were:

S. Brooke
M. King (resigned 23 January 2017)
G. Holmes (resigned 23 January 2017)
R. Haddon (appointed 16 January 2017)

Political contributions

Open Energi Limited made charitable donations amounting to £400 (2016: £1,500) and £nil political donations (2016: £nil) during the period.

Open Energi Limited

Directors' Report (continued) For the Fifteen Months Ended 31 December 2017

Disclosure of information to auditors

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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 auditors are aware of that information.

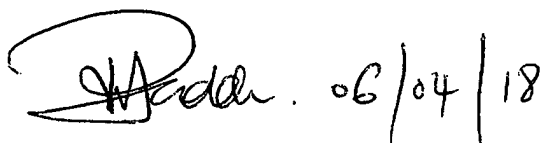
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board and signed on its behalf by:



R. Haddon
Director

Open Energi Limited

Independent Auditor's report to the members of Open Energi Limited

Opinion

We have audited the financial statements of Open Energi Limited ("the Company") for the period ended 31 December 2017 which comprise the Income Statement and 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Company 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are 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 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.

We have nothing to report in this regard.

Open Energi Limited

Independent Auditor's report to the members of Open Energi Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and from the requirement to prepare a Strategic report.

Responsibilities of directors

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, and for such internal control as the Directors 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 Directors are responsible for assessing the Company'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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

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.

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

Open Energi Limited

Independent Auditor's report to the members of Open Energi Limited (continued)

BDO LLP

06/04/2018

Marc Reinecke (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

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

Open Energi Limited

Income Statement and Statement of Comprehensive Income For the Fifteen Months Ended 31 December 2017

	Note	15 months ended 31 December 2017 £	As restated Year ended 30 September 2016 £
Turnover	2	1,253,337	764,142
Cost of sales		(1,552,146)	(1,302,690)
Gross loss		(298,809)	(538,549)
Administrative expenses		(5,881,257)	(7,178,438)
Other operating income	3	1,886	15,972
Other operating charges		(16,182)	(3,402)
Impairment charge recognised in respect of tangible fixed assets		(512,279)	
Operating loss	4	(6,706,641)	(7,704,416)
Interest payable and expenses		-	(1,938,236)
Loss before tax		(6,706,641)	(9,642,652)
Tax on loss		386,500	799,924
Loss for the period/year		<u>(6,320,141)</u>	<u>(8,842,728)</u>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016:£nil).

The notes on pages 9 to 20 form part of these financial statements.

Open Energi Limited
Registered number: 03838585

Statement of Financial Position
As at 31 December 2017

	Note	31 December 2017 £	30 September 2016 £
Fixed assets			
Intangible assets	10	270,423	283,729
Tangible assets	11	1,710,023	2,477,763
		<u>1,980,446</u>	<u>2,761,492</u>
Current assets			
Stocks	12	331,444	474,437
Debtors: amounts falling due within one year	13	984,402	1,493,851
Cash at bank and in hand	14	4,768,381	248,878
		<u>6,084,227</u>	<u>2,217,166</u>
Creditors: amounts falling due within one year	15	(1,093,225)	(1,714,649)
Net current assets		<u>4,991,002</u>	<u>502,517</u>
Total assets less current liabilities		<u>6,971,448</u>	<u>3,264,009</u>
Net assets		<u><u>6,971,448</u></u>	<u><u>3,264,009</u></u>
Capital and reserves			
Called up share capital	16	556	74,616
Share premium account		41,189,263	31,087,623
Profit and loss account		(34,218,371)	(27,898,230)
		<u>6,971,448</u>	<u>3,264,009</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

 06/04/18

R. Haddon
Director

The notes on pages 9 to 20 form part of these financial statements.

Open Energi Limited

Statement of Changes in Equity For the Fifteen Months Ended 31 December 2017

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 October 2016	74,616	31,087,623	(27,898,230)	3,264,009
Comprehensive income for the fifteen months				
Loss for the fifteen months	-	-	(6,320,141)	(6,320,141)
Total comprehensive income for the fifteen months	-	-	(6,320,141)	(6,320,141)
Issue of 105,000,000 ordinary shares	10,500	5,029,500		5,040,000
Cancellation of 360,526 ordinary shares	(36)	(19,464)		(19,500)
Issue of 48,436,332,387 ordinary shares	4,843,633	156,367		5,000,000
Buy-back and cancellation of 6,006,326 ordinary shares	(601)	(19)		(620)
Reduction in share capital	(4,927,620)	4,927,620		-
Issue of incentive shares	64	7,637		7,701
Total transactions with owners	(74,060)	10,101,640	-	10,027,581
At 31 December 2017	556	41,189,263	(34,218,371)	6,971,448

Statement of Changes in Equity For the Year Ended 30 September 2016

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 October 2015	45,088	16,943,695	(19,055,502)	(2,066,719)
Comprehensive income for the year				
Loss for the year	-	-	(8,842,728)	(8,842,728)
Total comprehensive income for the year	-	-	(8,842,728)	(8,842,728)
Issue of 731,092,621 ordinary shares	29,528	9,081,042		9,110,570
Waiver of accrued preference dividends		5,073,456		5,073,456
Premium released on issue of bonus shares		(10,570)		(10,570)
Total transactions with owners	29,528	14,143,928	(8,842,728)	14,173,456
At 30 September 2016	74,616	31,087,623	(27,898,230)	3,264,009

The notes on pages 9 to 20 form part of these financial statements.

Open Energi Limited

Notes to the Financial Statements For the Fifteen Months Ended 31 December 2017

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

1.2 Exemptions under FRS102

In preparing these financial statements, advantage has been taken of the following disclosure exemptions available under FRS 102:

- No cash flow statement has been presented for the Company; and,
- Disclosures in respect of the Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole.

1.3 Going concern

At 31 December 2017, the company had cash at bank of £4,768,381 (30 September 2016: £248,878). The financial statements have been prepared on a going concern basis as the directors have prepared appropriate cashflow forecasts and received confirmation from Ombu Limited, its parent company, of its intention to provide continued financial support to the company for a period of not less than twelve months from the date of approval of these financial statements.

1.4 Revenue

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 measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Open Energi Limited

Notes to the Financial Statements For the Fifteen Months Ended 31 December 2017

1. Accounting policies (continued)

1.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

1.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

Depreciation is provided on the following basis:

Fixtures and fittings	- 25% straight line
Office equipment	- 33.3% straight line
IT & Computer Equipment	- 10% straight line
No depreciation is charged on assets in the course of construction	

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Open Energi Limited

Notes to the Financial Statements For the Fifteen Months Ended 31 December 2017

1. Accounting policies (continued)

1.7 Impairment of fixed assets and goodwill

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 (or cash-generating unit to which the asset has been allocated) 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 (or CGU'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.

In the period, an impairment of £450,000 (2016: £nil) was recognised in relation to the project assets following an assessment of the recoverable value of these assets and an impairment of £61,279 (2016: £nil) was recognised in respect of assets in the course of construction..

1.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

In the period, an impairment of inventory of £112,684 (2016: £nil) was recognised following an assessment of the realisable value of stock. This impairment was recognised within administrative expenses.

1.9 Debtors

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

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.

Open Energi Limited

Notes to the Financial Statements For the Fifteen Months Ended 31 December 2017

1. Accounting policies (continued)

1.11 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

1.12 Creditors

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

1.13 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

1.14 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest 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.

1.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

1.16 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Open Energi Limited

Notes to the Financial Statements For the Fifteen Months Ended 31 December 2017

1. Accounting policies (continued)

1.17 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

1.18 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

1.19 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 operates and generates income.

2. Turnover

The entirety of the turnover recognised in the period is attributable to income from the National Grid, for the provision of firm frequency response services.

All turnover arose within the United Kingdom.

3. Other operating income

	15 months ended 31 December 2017 £	Year ended 30 September 2016 £
Other operating income	1,886	15,972
	<u>1,886</u>	<u>15,972</u>

Open Energi Limited

Notes to the Financial Statements For the Fifteen months Ended 31 December 2017

4. Operating loss

The operating loss is stated after charging:

	15 months ended 31 December 2017 £	Year ended 30 September 2016 £
Depreciation of tangible fixed assets	765,872	496,792
Amortisation of intangible assets, including goodwill	23,306	17,250
Impairment of tangible fixed assets	512,279	-
Write-down of carrying value of stock	112,684	-
Operating lease rentals in respect of buildings	324,443	155,446
Exchange differences	<u>16,182</u>	<u>3,402</u>

5. Auditors' remuneration

	15 months ended 31 December 2017 £	Year ended 30 September 2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>22,080</u>	<u>19,000</u>
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	15,188	14,200
All other assurance services	5,200	-
	<u>20,388</u>	<u>14,200</u>

6. Employees

Staff costs, including Directors' remuneration, were as follows:

	15 months ended 31 December 2017 £	Year ended 30 September 2016 £
Wages and salaries	2,808,263	3,402,843
Social security costs	327,092	402,598
Pension costs	39,930	46,015
	<u>3,175,285</u>	<u>3,851,492</u>

The average monthly number of employees, including directors, during the fifteen months was 34 (2016 - 48).

Open Energi Limited

Notes to the Financial Statements For the Fifteen months Ended 31 December 2017

7. Directors' remuneration

	15 months ended 31 December 2017	Year ended 30 September 2016
	£	£
Directors' emoluments	177,555	232,821
Company contributions to defined contribution pension schemes	6,484	7,572
Director's contractor costs	163,584	
	<u>347,623</u>	<u>240,393</u>
Emoluments paid to the highest paid Director	<u>184,039</u>	<u>240,393</u>

8. Interest payable and similar charges

	15 months ended 31 December 2017	Year ended 30 September 2016
	£	£
Bank interest payable	-	590,137
Preference share dividends	-	1,348,099
	<u>-</u>	<u>1,938,236</u>

9. Taxation

	15 months ended 31 December 2017	Year ended 30 September 2016
	£	£
Corporation tax		
Adjustments in respect of previous periods	-	(799,924)
Current Period	(386,500)	-
	<u>(386,500)</u>	<u>(799,924)</u>
Total current tax	<u>(386,500)</u>	<u>(799,924)</u>
Deferred tax		
	<u>-</u>	<u>-</u>
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit/(loss) on ordinary activities	<u>(386,500)</u>	<u>(799,924)</u>

Open Energi Limited

Notes to the Financial Statements For the Fifteen months Ended 31 December 2017

9. Taxation (continued)

Factors affecting the tax charge for the fifteen months/year

The tax assessed for the fifteen months/year is -£386,500 (2016 - £799,924) at the standard rate of corporation tax in the UK of 19.40% (2016 - 20%). The differences are explained below:

	15 months ended 31 December 2017 £	Year ended 30 September 2016 £
Loss on ordinary activities before tax	<u>(6,706,641)</u>	<u>(9,642,652)</u>
Tax on loss on ordinary activities at standard CT rate of 19.40%	(1,301,088)	(393,458)
Effects of:		
Fixed asset differences	(36,754)	-
Expenses not deductible for tax purposes	(212)	-
Additional deduction for R&D expenditure	(317,067)	-
Surrender of tax losses for R&D tax credit refund	141,649	-
Adjustments to tax charge in respect of previous periods	32,865	(406,466)
Adjust closing deferred tax to average rate of 19.40%	827,823	-
Adjust opening deferred tax to average rate of 19.40%	(692,465)	-
Deferred tax not recognised	958,749	-
	-	-
Total tax charge for the fifteen months/year	<u>(386,500)</u>	<u>(799,924)</u>

Factors that may affect future tax charges

The tax rate from 1 April 2020 is to be changed to 17%. The potential deferred tax has therefore been calculated on this basis.

The Company has carried forward losses of £32,598,252 (2016: £28,140,751). These have not been recognised as the utilisation of these tax losses in the near future is uncertain.

Open Energi Limited

Notes to the Financial Statements For the Fifteen months Ended 31 December 2017

10. Intangible assets

	Patents £
Cost	
At 1 October 2016	583,053
Additions	10,000
At 31 December 2017	593,053
Amortisation	
At 1 October 2016	299,324
Charge for the year	23,306
At 31 December 2017	322,630
Net book value	
At 31 December 2017	270,423
At 30 September 2016	283,729

11. Tangible fixed assets

	Fixtures and fittings £	Assets in construction £	IT & Office Equipment £	Project Equipment £	Total £
Cost or valuation					
At 1 October 2016	194,350	336,816	456,909	3,449,377	4,437,451
Additions	66,967	-	34,014	466,620	567,601
Disposals	-	-	(713)	(61,453)	(62,166)
Transfers between classes	-	(67,652)	-	67,652	-
At 31 December 2017	261,317	269,164	490,209	3,922,195	4,942,886
Depreciation and impairment					
At 1 October 2016	88,838	-	357,428	1,513,422	1,959,688
Charge for the fifteen months	64,419	-	75,236	626,217	765,872
Released on disposal	-	-	-	(4,976)	(4,976)
Impairment charge	-	62,279	-	450,000	512,279
At 31 December 2017	153,257	62,279	432,663	2,584,664	3,232,863
Net book value					
At 31 December 2017	108,060	206,885	57,546	1,337,531	1,710,023
At 30 September 2016	105,512	336,816	99,481	1,935,955	2,477,763

Open Energi Limited

Notes to the Financial Statements For the Fifteen months Ended 31 December 2017

12. Stocks

	31 December 2017 £	30 September 2016 £
Inventory – finished goods	331,444	474,437
	<u>331,444</u>	<u>474,438</u>

13. Debtors

	31 December 2017 £	30 September 2016 £
Trade debtors	131,688	34,719
Other debtors	433,398	504,274
Tax recoverable	419,316	954,858
	<u>984,402</u>	<u>1,493,851</u>

14. Cash and cash equivalents

	31 December 2017 £	30 September 2016 £
Cash at bank and in hand	4,768,381	248,878
	<u>4,768,381</u>	<u>248,828</u>

15. Creditors: Amounts falling due within one year

	31 December 2017 £	30 September 2016 £
Trade creditors	270,608	551,977
Other taxation and social security	62,185	119,090
Other creditors	18,317	12,262
Accruals and deferred income	742,115	1,031,320
	<u>1,093,225</u>	<u>1,714,649</u>

Open Energi Limited

Notes to the Financial Statements For the Fifteen months Ended 31 December 2017

16. Share capital

	31 December 2017 £	30 September 2016 £
Authorised, allotted, called up and fully paid		
49,281,128 (2016 - 74,616,320,000) Ordinary Shares of £0.00000001 each	493	74,616
61,588,712 A Ordinary Shares of £0.00000001 each	62	-
21 B Ordinary Shares of £0.01 each	-	-
	<u>556</u>	<u>74,616</u>

17. Prior year adjustment

The Company has, in the period ended 31 December 2017, re-assessed the allocation of certain costs to cost of sales instead of overheads. This results in a prior year reclassification of costs from overhead expenses to cost of sales amounting to £661,197. There has been no net impact to the loss reported.

18. Commitments under operating leases

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

	31 December 2017 £	30 September 2016 £
Not later than 1 year	157,355	189,420
Later than 1 year and not later than 5 years	357,500	378,840
Later than 5 years	-	-
	<u>624,855</u>	<u>568,260</u>

19. Related party transactions

During the period, management charges were incurred for Directors' services, from Haddon Consultants Limited, to the value of £163,594 (2016: £nil). These have been included within the Directors' remuneration note.

The Company has taken advantage of the exemptions provided by FRS 102 paragraph 33.1A and not disclosed the transactions with group undertakings where 100% of the voting rights are controlled within the group.

Open Energi Limited

Notes to the Financial Statements For the Fifteen months Ended 31 December 2017

20. Controlling party

The immediate parent undertaking is Ombu Limited. The ultimate parent undertaking is Ombu Group Limited.

The ultimate controlling party is Ombu Group Limited, 1st Floor Waterloo House, Don Street, St Helier, Jersey, Channel Islands JE1 1AD, which is registered in Jersey.

Ombu Group Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements.

21. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.