London Power Co. Limited
Annual Report and Financial Statements

1 April 2021 to 31 March 2022

AUDITED

Company number: 12113294

Contents

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Company Information

Directors	Shirley Rodrigues Philip Graham James Hardy Richard Watts
Company Secretary	Howard Carter
Company Registration Number	12113294 (England and Wales)
Registered Office	5 Endeavour Square London, UK E20 1JN
Auditors	Ernst & Young LLP (Statutory Auditor) 1 More London Place London SE1 2AF

Directors' Report

Introduction

The directors present their report on the affairs of London Power Co. Limited (the "Company"), (registration number 12113294), together with the audited financial statements for the accounting period of 01 April 2021 to 31 March 2022 ("accounting period").

The Company has prepared the financial statements in accordance with UK adopted *international accounting standards.*

Principal activities

In August 2019, London Power Co. Limited entered into a contract with Octopus Energy Limited for the provision of London Power services. Under this contract, Octopus Energy supplies gas and electricity to Londoners under the London Power brand. All energy trading and customer interaction is handled by Octopus Energy. The purpose of London Power Co. Limited is to manage the contract with Octopus Energy and handle the spending of any surplus revenue.

The specific activities of the company are as follows:

1) To manage the contract with Octopus Energy, ensuring all Service Level Agreements are met, tariff pricing is kept within the agreed parameters and new products or services (such as new tariffs) are developed and delivered in line with the contract
2) To increase Londoners' awareness of London Power and assist in driving customer acquisition through a combination of marketing activities and engagement with key stakeholders
3) To engage with London boroughs and social housing providers to promote the London Power voids service and to enable referral of vulnerable customers to local support services
4) To manage the receipt of commission and expenditure of any surplus
5) *To develop added value to the GLA through the analysis and interpretation of data* generated by London Power.

Trading results

The Company's loss after tax was £0.09m. It is not proposed to declare a dividend for the period 01 April 2021 to 31 March 2022.

Energy Market and Going Concern

The last financial year has seen a great deal of change and volatility in the wholesale and retail energy markets. Wholesale price fell to record lows in 2020 as global energy demand dropped dramatically due to lockdowns as the Covid-19 pandemic hit. As global economies recovered in 2021, wholesale prices recovered with gas prices rebounding by September 2021 to exceed pre-pandemic levels.

The combination of high wholesale prices and low retail prices, which are capped by the energy regulator Ofgem, saw many smaller and newer energy supplier's collapse. Since summer 2021, 29 energy suppliers in the UK ceased trading due to market volatility, impacting around 4.3m customers. Given the white label partnership that London Power has with Octopus Energy, and the continuing growth and financial stability of Octopus Energy, the Directors are confident London Power remains robust.

Prices paid by customers have increased markedly through the year, with Ofgem's price cap (the maximum rates customers on a variable tariff can pay) increasing by 12% in October 2021, and a further 54% in April 2022. Typically, customers can save money by choosing a fixed price tariff, but since September 2021 high energy wholesale prices have led to a withdrawal of better priced deals in the market and a collapse in domestic energy switching, with 2021 seeing the lowest levels of energy switching on record. London Power, as a responsible energy supplier, is recommending that Londoners do not switch to London Power while we cannot offer a better energy deal.

The invasion of Ukraine by Russia in February 2022 caused already high energy prices to climb even further, and the energy price cap is expected to increase by a considerable amount in October 2022, with low levels of market switching until then. London Power Co. Limited will continue to monitor the ongoing changes in the energy market and adapt its business plan and strategy accordingly. The Directors expect Octopus Energy Limited through the London Power Co. Limited brand to continue delivering good customer service and consider how best to respond to Londoners, particularly vulnerable people, in a timely manner while the energy market remains volatile, and energy costs remain high.

Having considered the possible impact of high prices on the energy retail market, the Directors have taken into account the nature of the Company's activities which are detailed above. The Directors have determined that based on recent trading and business performance, the continuing energy retail market events are not expected to have a significant adverse impact on the Company's business. The Directors do not believe there to be a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

In determining the appropriate basis of preparation of the financial statements for the year ended 31 March 2022, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future. After making enquiries and taking account of the impact of the broader energy market on the business, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The parent company has confirmed it will provide support to the Company to enable it 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. Accordingly, the Directors therefore have adopted the going concern basis in preparing these financial statements.

Share capital

The Company had 1,056,387 shares in issue at 31 March 2022.

Articles of Association

The Articles of Association set out the basic management and administrative structure of the Company. They regulate the internal affairs of the Company and cover such matters as the issue and transfer of shares, Board and shareholder meetings, powers and duties of Directors and borrowing powers. The Articles may only be amended by special resolution at a general meeting of shareholders. Copies are available by writing to the Company Secretary and are also available from Companies House.

Directors

The directors who served during the accounting period were:
David Bellamy (Resigned 24/11/2021)
Shirley Rodrigues
Philip Graham
James Hardy (Appointed on 27/04/2021)
Richard Watts (Appointed on 24/11/2021)

None of the directors has any beneficial interest in the shares of the Company.

There were no contracts of significance during the financial period in which a Director is or was materially interested.

Directors' indemnities

The Greater London Authority indemnifies the Directors to the maximum extent permitted by law in respect of all costs, charges, expenses, losses and liabilities, which they may incur in or about the execution of their duties to the Company or any entity which is an associated company (as defined in Section 256 of the Companies Act 2006), or as a result of the duties performed by the Directors on behalf of the Company or any such associated company.

Shareholders

100% of the share capital in the Company is held by Greater London Authority Holdings Ltd (GLAH).

Sustainability

The Company complies with the sustainability policies of the Greater London Authority.

Essential contracts

The Company has a contract with Octopus Energy Limited for the provision of London Power Services. Under this contract, Octopus Energy provide electricity and gas supply to domestic customers under the London Power brand. This arrangement is essential to the business of the Company.

Payment of creditors

It is the Company's policy to abide by the agreed payment terms where a supplier has provided the goods and services in accordance with the relevant terms and conditions of contract. In addition, it is the company's policy to pay small and medium sized entities within 10 working days.

Risk management

The Company has a risk management process and arrangements that enable it systematically to identify, assess, manage and monitor business risks.

Employees

The Company has no directly employed staff. Staff employed by the Greater London Authority perform duties on behalf of London Power Co. Limited and their time and related overheads are recharged to the Company at cost.

Charitable and political donations

No charitable or political donations were made during the accounting period.

Small company exemptions

The Directors have taken advantage of the small companies' exemption provided by Section 414B of the Companies Act 2006 not to provide a Strategic Report. In preparing this report, the Directors have also taken advantage of the small companies' exemption provided by Section 415A of the Companies Act.

Independent auditors and disclosure of information to the auditors

Pursuant to a Directors' resolution, the Company appointed Ernst & Young as external auditors. Each of the persons who is a Director at the date of approval of this Annual Report confirms 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 he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Philip Graham
Director
20 December 2022

Statement of Directors' Responsibilities

In respect of the Directors' Report and the Financial Statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable United Kingdom 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 these financial statements in accordance with UK adopted international accounting standards.

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 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 estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of London Power Co. Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON POWER CO. LIMITED

Opinion

We have audited the financial statements of London Power Co. Limited for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' report have 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 strategic report or directors' 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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, 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

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are:
    - The Companies Act 2006 (as amended)
    - The Companies Act 2006 (Strategic report and Director's report) Regulations 2013
    - International Financial Reporting Standards
    - UK tax legislation
    - Greater London Authority Act 1999 and 2007
    - Localism Act 2011

- We understood how London Power Co. Limited is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our reading of the entity's Board minutes, through enquiry of employees to confirm the entity's policies, and through the inspection of employee handbooks and other information. Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved focussing on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified manipulation of reported financial performance (through inappropriate recognition of revenue) and management override of controls to be our fraud risks.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:
    - To address our fraud risk of inappropriate revenue recognition we challenged the assumptions and corroborated the income to appropriate evidence.
    - To address our fraud risk of management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately. We also performed a review for any significant, unusual business transactions and challenged significant estimates for reasonableness.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://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 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.

Ernst + Young LLP

Andrew Brittain (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading
20 December 2022

Statement of Comprehensive Income

Statement of Comprehensive Income
31 March 2022

For the year ended	**Note**	**2021/22 £'000**	**2020/21 £'000**
Revenue	3	(122)	(116)
Administrative expenses		228	339
Operating loss/(profit)		***106***	**223**
Finance income		-	-
Finance costs		10	38
Net finance costs		**10**	**38**
Loss/(Profit) before tax		**116**	**261**
Group tax relief	5	(22)	(50)
Loss/Profit for the period		**94**	**211**

All activities in the period ended 31 March 2022 are derived from continuing operations.

The Company has no recognised gains and losses other than the losses detailed above and as such a separate statement of other comprehensive income has not been presented.

The notes on pages 17-23 are an integral part of these financial statements.

Statement of Financial Position

As at	Note	2021/22 £'000	2020/21 £'000
Assets			
Trade and other receivables	6, 9	65	121
Cash and cash equivalents		276	775
Current assets		**341**	**896**
Total assets		**341**	**896**
Liabilities			
Loans and borrowings	9, 13	(159)	(552)
Non-current liabilities		**(159)**	**(552)**
Trade and other payables	7	(308)	(376)
Current tax liabilities		-	-
Current liabilities		**(308)**	**(376)**
Total liabilities		**(467)**	**(928)**
Net liabilities		**(126)**	**(32)**
Equity			
Share capital		(1,056)	(1,056)
Retained earnings		1,182	1,088
Total equity		**126**	**32**

The Company has authorised and issued 1,056,387 £1 shares, which are held by Greater London Authority Holdings Limited.

The financial statements were approved by the Board on 11 July 2022 and have been authorised for issue by a director, on behalf of the board, on completion of the audit.

The notes on pages 17-23 are an integral part of these financial statements.

Philip Graham
Director
20 December 2022

Statement of Changes in Equity

for the period 01 April 2021 to 31 March 2022

I he Company has authorised and issued 1,056,387 £1 shares, which are held by Greater London Authority Holdings Limited.

	Note	Share capital £'000	Retained earnings £'000	Total equity £'000
At 01 April 2021		**(1,056)**	**1,088**	**32**
Loss for the period		-	94	94
Issue of share capital		-	-	-
At 31 March 2022		**(1,056)**	**1,182**	**126**

for the period 01 April 2020 to 31 March 2021

	Note	Share capital £'000	Retained earnings £'000	Total equity £'000
At 01 April 2020		-	**877**	**877**
Loss for the period		-	211	211
Issue of share capital		(1,056)		(1,056)
At 31 March 2021		**(1,056)**	**1,088**	**32**

Share capital represents the aggregate nominal value of issued ordinary shares.

Retained earnings consists of the accumulated losses of the Company at the period end.

The notes on pages 17-23 are an integral part of these financial statements.

Statement of Cash Flows

For the period ended 31 March	Note	2021/22 £'000	2020/21 £'000
(Profit)/Loss for the period		94	211
Adjustments to profit or loss for non-cash movements	11	(2)	(477)
Net cash flows from Operating Activities		**92**	**(266)**
Financing Activities	11	407	(509)
Net (increase)/decrease in cash and cash equivalents		**499**	**(775)**
Cash and cash equivalents at the beginning of the reporting period		**(775)**	-
Cash and cash equivalents at the end of the reporting period		**(276)**	**(775)**

The notes on pages 17-23 are an integral part of these financial statements.

Notes to the Financial Statements

For the period ended 31 March 2022

1. **Reporting entity**
   London Power Co. Limited (the "Company") is incorporated and domiciled in the United Kingdom. The Company's registered number is 12113294 and its registered office is 5 Endeavour Square, London, E20 1JN. The principal activity of the Company is managing the contract for the provision of electricity, gas and related services to domestic consumers in London.

2. **Statement of accounting policies**
   This section explains the Company's main accounting policies.

   a) Statement of compliance

   Basis of preparation
   These financial statements have been prepared in accordance with UK adopted international accounting standards. The financial statements were authorised for issue by the Company's board of directors on 11 July 2022.

   Basis of measurement
   The accounts are made up to 31 March 2022 and have been prepared under the accruals concept and in accordance with the historical cost accounting convention, modified by the revaluation of certain categories of non-current assets and financial instruments.

   b) Use of judgements and estimates
   In preparing these financial statements, the directors are required to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and judgements are based on evidence at the time and other factors that are considered applicable. Actual results may differ from these estimates.

   Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised in the year in which the estimate is revised. The directors are not aware of any significant sources of estimation uncertainty in the preparation of the financial statements.

   c) Going Concern
   The financial statements have been prepared on a going concern basis, which assumes that the Company will continue to trade for the foreseeable future of at least 12 months from the date of signing these financial statements. The basis of this assumption relies on the support of the Greater London Authority (GLA). The GLA has indicated that it will continue to provide such funds as are necessary for the Company to trade for a period of 12 months after the date of signing the financial statements.

   The directors consider that this will enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. Based on this undertaking, the Directors do not believe there to be a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

Accordingly, the Directors therefore have adopted the going concern basis in preparing these financial statements.

d) Revenue

Commission

Revenue is generated from managing the contract with Octopus Energy Limited for the provision of electricity and gas to London consumers. The commission from this contract is recognised at a point in time based on the number of end-consumer supply contracts included in the monthly statement.

In determining the transaction price, there is a fixed commission in the contract for each end-consumer supply contract acquired and retained on a primary tariff.

e) Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the Statement of Financial Position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date.

f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of 90 days or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the Statement of Cash Flows presentation purposes, cash and cash equivalents include bank overdrafts, which are shown within borrowings in current liabilities in the Statement of Financial Position.

g) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Trade receivables

Trade receivables are initially recognised at fair value and subsequently at amortised cost, using the effective interest method, less any allowance for expected credit losses.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently at amortised cost using the effective interest method.

Borrowings

Loans and borrowings are initially recognised at the fair value of the cash received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Financing expense comprises interest payable on loans from the GLA and is recognised in the Income Statement using the effective interest method.

3. Revenue

	31 March 2022 £'000	31 March 2021 £'000
Commission	122	116
	122	116

4. Audit Fees

	31 March 2022 £'000	31 March 2021 £'000
Audit of financial statements	16	14
	16	14

5. Current Taxation

	31 March 2022 £'000	31 March 2021 £'000
Tax charge per accounts		
Current tax		
Analysis of tax charge/(credit) for the period		
UK Corporation tax at 19%		
Group relief payable/(receivable)	(22)	(50)
Total current tax charge/(credit)	**(22)**	**(50)**
Deferred tax		
Origination and reversal of temporary differences	-	-
Tax on profit on ordinary activities	**(22)**	**(50)**
Reconciliation of tax charge		
Loss on ordinary activities before tax	116	262
Tax on loss on ordinary activities at 19%	(22)	(50)
Effects of:		
Expenses not deductible for tax purposes	-	-
Group relief (surrendered)/claimed	**(22)**	**(50)**
(Payment)/receipt for group relief	22	50
Tax charge/(credit) for the period	**(22)**	**(50)**

Factors affecting future tax changes

The Corporation Tax main rate will increase to 25% for the financial year beginning 1 April 2023. Companies whose profits are below a certain threshold may pay a lower rate of tax for such years.

6. Trade and Other Receivables

	31 March 2022 £'000	31 March 2021 £'000
Trade and accrued income	9	28
Other Receivables	56	93
	65	121

7. Trade and Other Payables

	31 March 2022 £'000	31 March 2021 £'000
Trade and other payables	(256)	(293)
Accrued expenses	(52)	(83)
	(308)	(376)

8. Share Capital

The Company issued 1,056,387 shares of £1 and these are held by the parent, Greater London Authority Holdings Limited.

	31 March 2022 £'000	31 March 2021 £'000
Ordinary share capital of £1 eac	*(1,056)*	(1,056)
	(1,056)	(1,056)

9. Financial Instruments

The following categories of financial instruments are carried in the Statement of Financial Position.

	Carrying Value 31 March 2022 £'000	Carrying Value 31 March 2021 £'000
Financial assets at amortised cost		
Trade receivables - Current	9	28
	9	28
Financial liabilities at amortised cost		
Borrowings - Non-current	(159)	(552)
Trade payables -current	(308)	(376)
	(467)	(928)

10. Risk Management

The Company's activities expose it to a variety of financial risks including:

Commodity risk

Commodity risk refers to the uncertainties of the size of future income affected by the customer acquisition and retention levels. The key commodity risk faced by the Company is the growth of the end consumer base as a new energy brand in partnership with Octopus Energy Limited in London.

The Company's ability to attract and retain those consumers willing to switch energy suppliers will enable long-term sustained growth. The retail energy market has seen limited customer switching, leading to low levels of customer acquisition for London power since September 2021. Customer acquisition is expected to remain low until the energy market recovers.

Credit risk

Credit risk refers to the possibility that other parties might fail to pay amounts due. Octopus Energy Limited might fail to pay commission when due. Octopus Energy are financially backed by their parent Octopus Capital. London Power Co. Limited has an Escrow Agreement in place with Octopus Energy, from which London Power Co. Limited can draw if Octopus Energy were unable to make the required payments. The Company therefore considers the credit risk arising from loss of commission payments to be low.

It is the Company's policy to place all surplus funds on callable deposits with its ultimate parent, the Greater London Authority (GLA). The GLA has maintained a high credit rating (AA with negative outlook) and benefits from high levels of central government support. The Company therefore considers the credit risk arising from cash and short-term deposits to be adequately maintained.

Liquidity risk

Liquidity risk is the possibility that the Company may not be able to meet its financial obligations as they fall due. The ultimate parent manages this risk by using short and long-term cash flow forecasts supplemented by sensitivity analysis to assess the funding adequacy for at least a 12-month period.

The cash resources of the Company are managed in a manner to ensure it has sufficient funds to meet obligations as they fall due.

11. Cash Flow

	31 March 2022 £'000		31 March 2021 £'000
Adjustments to profit and loss for non-cash movements			
Increase/(Decrease) in trade and other receivables	(56)		(112)
(Increase)/Decrease in trade and other payables	64		(365)
Interest Payable	(10)		-
	(2)	-	(477)
Financing activities			
Repayment of long-term borrowings	552		1,056
Borrowings - Non-current	(145)		(509)
Proceeds from issue of ordinary share	-		(1,056)
	407		(509)

12. Ultimate Parent Undertaking

The Company is a wholly owned subsidiary of Greater London Authority Holdings Limited, which is itself a wholly owned subsidiary of the Greater London Authority. The board members of both companies are appointed by the Mayor of London. Copies of the Greater London Authority's accounts are available from City Hall, Kamal Chunchie Way, London, E16 1ZE.

13. Related Parties

Transactions with ultimate parent

During the period, the Greater London Authority (GLA) charged the Company £214k accommodation and other overhead costs.

The Company continues to hold a £906k loan facility with the GLA. In year £552k was repaid and new borrowing of £145k was advanced by GLA. £14k of interest was owed to GLA at 31 March 2022, resulting in cumulative borrowing from the GLA of £159k at 31 March 2022. (See note 9 for further details)

Transactions with GLA Land and Property Ltd (GLAP)

GLAP is a wholly owned subsidiary of GLAH. The Company and GLAP are therefore part of the same group for corporation tax purposes. In the current reporting period, the Company surrendered tax losses to GLAP resulting in group tax relief of £22k.