

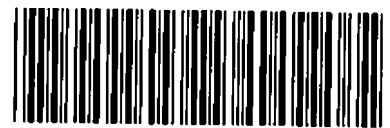
**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**ORIGAMI ENERGY LIMITED**

**YEAR ENDED 30 JUNE 2020**

**REGISTERED NUMBER 08619644**

TUESDAY



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**ORIGAMI ENERGY LIMITED**

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**ORIGAMI ENERGY LIMITED**

**COMPANY INFORMATION**

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**DIRECTORS:**

Peter Bance  
Simon King  
Nicholas Emery  
Andrew Williamson  
Margaret Rice-Jones  
Peter Simmonds

**COMPANY SECRETARY:**

Matthew Kendall

**REGISTERED OFFICE:**

Unit 205  
Cambridge Science Park  
Milton Road  
Cambridge CB4 0GZ

**REGISTERED NUMBER:**

08619644 (England and Wales)

**INDEPENDENT AUDITORS:**

Grant Thornton UK LLP  
Chartered Accountants and Statutory Auditor  
101 Cambridge Science Park  
Milton Road  
Cambridge  
Cambridgeshire  
CB4 0FY

## **ORIGAMI ENERGY LIMITED**

### **STRATEGIC REPORT**

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The directors present their Strategic Report on the company for the year ended 30 June 2020.

#### **PRINCIPAL ACTIVITIES**

The company develops and operates software technology which monitors, communicates and controls existing industrial and commercial energy-generating, energy-using and energy-storing assets so they can be used to increase the marginal capacity of the electricity network (known as “flexibility”) and improve the security of supply as well as enabling more renewables to be connected to the grid.

#### **REVIEW OF BUSINESS**

During the year, the company continued to invest in the research, development and commercialisation of technology to enable the control and management of distributed energy assets including generation, storage and demand.

The results for the company for the year show a turnover of £830,871 (2019: £887,161) with a loss before tax of £7,607,772 (2019: £7,927,959).

#### **RISKS AND UNCERTAINTIES**

The principal risks and uncertainties that the company face include potential changes to the regulatory environment, the overall health and growth of the energy sector (and in particular, the size and value of flexibility), health & safety and the company’s ability to raise further funding required to support its working capital needs. In addition, Brexit may also impact the company’s ability to attract world-class talent.

The Covid-19 pandemic has not impacted the company’s ability to continue to develop its software platform nor meet its existing commercial commitments. The pandemic has brought increased global focus on the need for renewable energy sources and the directors believe this will benefit the company in the long term. The impact of Covid-19 on the company’s ability to fundraise is discussed under Going Concern in the Directors’ Report

The company’s risk appetite is set by the Board. The company is committed to good governance appropriate for a company of its size and control in order to run its business effectively and ensure that it can manage the risk appropriately. The company has undertaken activities in the past year to ensure effective measures are in place to prevent such uncertainties from significantly impacting the operations of the business. The principal risks and uncertainties are reviewed by the Board every month and when risks are judged to be severe impact and high likelihood a mitigation plan is put in place.

**This report was approved by the board of directors and signed on behalf of the board by:**

*Peter Bance*

.....  
Peter Bance (Director)  
26 October 2020

## **ORIGAMI ENERGY LIMITED**

### **DIRECTORS' REPORT**

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The directors present their report with the audited financial statements of the company for the year ended 30 June 2020.

The financial statements have been prepared under FRS 102.

#### **POST BALANCE SHEET EVENTS**

There are no post balance sheet events.

#### **QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

*A qualifying third party indemnity provision as defined in section 232(2) of the Companies Act 2006 is in force for the benefit of each of the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law, throughout the financial year and to the date of approval of the financial statements.*

#### **DIVIDENDS**

No dividends were paid during the year (2019: £nil).

#### **DIRECTORS**

The directors shown below have held office during the year and up to the date of this report.

Peter Bance

Simon King

Nicholas Emery

Andrew Williamson

Margaret Rice-Jones

Peter Simmonds (appointed 14 November 2019)

#### **FINANCIAL RISK MANAGEMENT**

The directors have considered the need to disclose financial risks material to the company. Liquidity and cashflow risk are discussed below under Going Concern. At this stage in the company's development, the directors are of the opinion that there are no material price, credit or interest rate risks.

#### **RESEARCH AND DEVELOPMENT**

Origami Energy Limited is developing and commercialising ground-breaking technology which will monitor, communicate with and control existing industrial and commercial energy-generating, energy-using and energy-storing assets so that they can be used to increase the marginal capacity of the electricity network, improve the security of supply and reduce carbon emissions enabling more renewables to be connected to the grid. This new technology continues to go beyond the current state of knowledge in the industry and the technology has now been deployed into the field for revenue generating activities. Whilst the present deployment means that the company focus is no longer 100% on research and development, there is still considerable innovative activity aimed at overcoming uncertainty, particularly around automation and optimisation of the system.

## **ORIGAMI ENERGY LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

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#### **GOING CONCERN**

The Financial Statements have been prepared on the going concern basis which assumes that company will continue in operational existence for the foreseeable future.

The cash on hand at the date of approval of the financial statements is not sufficient for the company to continue in operational existence for the period of 12 months after the date of signing these financial statements. Additional funding is required within 12 months to support the forecast working capital requirements.

Receipt of these additional funds is conditional upon the company raising further funding from its existing and new investors, which is not certain. This condition represents a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern, and it may therefore be unable to realise its assets and discharge its liabilities in the normal course of business. The directors reasonably expect, based on previous successful funding rounds and the continuing commercial progress, that sufficient funding will be secured within the required timeframe and hence it is appropriate that these financial statements are prepared on a going concern basis.

Whilst the Covid-19 pandemic has not had an impact on the day to day operations of the company the directors acknowledge that it has had an impact on the company's ability to fundraise within the timescales originally intended. The company has taken measures to ensure that its existing cash reserves are sufficient for it to continue in business well into 2021 and the directors are confident that the company will raise sufficient funds within the timescale that these actions have allowed.

If the company were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to revise the balance sheet values of assets to their recoverable amounts, to provide for further liabilities that might arise on closure of the business, and to reclassify fixed assets as current.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing the 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

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.

The directors 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.

**ORIGAMI ENERGY LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

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**Statement of disclosure of information to auditors**

In the case of each of the persons who are directors at the time when the Directors' Report is approved, the following applies:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**INDEPENDENT AUDITORS**

The auditors, Grant Thornton UK LLP, will be proposed for re-appointment at a future board meeting.

**This report was approved by the board of directors and signed on behalf of the board by:**

*Peter Bance*

.....  
Peter Bance (Director)  
26 October 2020

## **ORIGAMI ENERGY LIMITED**

### Independent auditor's report to the members of Origami Energy Limited

#### **Opinion**

We have audited the financial statements of Origami Energy Limited (the 'company') for the year ended 30 June 2020 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **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.

#### **The impact of macro-economic uncertainties on our audit report**

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

#### **Material uncertainty related to going concern**

We draw attention to note 2 in the financial statements, which states that the company's ability to continue as a going concern is dependent on the company securing further funding from investors. There is a risk that the quantum and timing of funding may not be secured in accordance with the directors' expectations. As stated on note 2, these events or conditions, along with other matters as set forth in note 2 indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### **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.

#### **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 the directors' report have been prepared in accordance with applicable legal requirements.

**ORIGAMI ENERGY LIMITED**

**Independent auditor's report to the members of Origami Energy Limited (*continued*)**

**Matter on which we are required to report under the Companies Act 2006**

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 the directors' report.

**Matters on which we are required to report by exception**

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 for the financial statements**

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

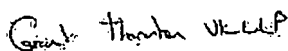
**Auditor's responsibilities for the audit of the financial statements**

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.

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

**Use of our report**

This report is made solely to the 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.



Paul Brown  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Cambridge  
Date: 27/10/2020

**ORIGAMI ENERGY LIMITED****STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	Year ended 30 June 2020 £	Year ended 30 June 2019 £
<b>TURNOVER</b>	5	830,871	887,161
Cost of sales		<u>(16,514)</u>	<u>(163,726)</u>
<b>GROSS PROFIT</b>		814,357	723,435
Administrative expenses		<u>(8,500,939)</u>	<u>(8,726,306)</u>
<b>OPERATING LOSS</b>	6	(7,686,582)	(8,002,871)
Interest receivable and similar income		<u>78,810</u>	<u>74,912</u>
<b>LOSS BEFORE TAXATION</b>		(7,607,772)	(7,927,959)
Tax on loss	9	<u>727,011</u>	<u>613,722</u>
<b>LOSS FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE LOSS</b>		<u>(6,880,761)</u>	<u>(7,314,237)</u>

The Company has no other comprehensive income or expenditure.

The notes on pages 12 to 22 are an integral part of these financial statements.

**ORIGAMI ENERGY LIMITED****BALANCE SHEET**  
**AS AT 30 JUNE 2020**

	Note	As at 30 June 2020 £	As at 30 June 2019 £
<b>FIXED ASSETS</b>			
Tangible assets	10	251,883	169,625
Investments	11	-	100
		<u>251,883</u>	<u>169,725</u>
<b>CURRENT ASSETS</b>			
Debtors	12	1,328,615	926,288
Investments	13	-	7,500,000
Cash at bank and in hand		<u>4,446,411</u>	<u>3,604,866</u>
		<u>5,775,026</u>	<u>12,031,154</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	14	<u>(828,437)</u>	<u>(732,750)</u>
<b>NET CURRENT ASSETS</b>		<u>4,946,589</u>	<u>11,298,404</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,198,472</u>	<u>11,468,129</u>
<b>NET ASSETS</b>		<u>5,198,472</u>	<u>11,468,129</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	488	487
Share premium account		36,297,131	36,284,682
Share based payments		2,463,665	1,865,011
Retained earnings		(33,562,812)	(26,682,051)
		<u>5,198,472</u>	<u>11,468,129</u>
<b>TOTAL EQUITY</b>		<u>5,198,472</u>	<u>11,468,129</u>

The notes on pages 12 to 22 are an integral part of these financial statements.

The financial statements on pages 8 to 22 were authorised for issue by the Board of Directors on  
and were signed on its behalf by:

23/10/2020

*Peter Bance*

.....  
Peter Bance  
Director

Registration number 08619644

**ORIGAMI ENERGY LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020**

2020	Note	Called up share capital £	Share premium £	Share based payments reserve £	Retained earnings £	Total £
Loss for the year		-	-	-	(6,880,761)	(6,880,761)
<b>Total comprehensive loss</b>		-	-	-	(6,880,761)	(6,880,761)
Issue of shares		1	12,449	-	-	12,450
Share based payments	8	-	-	598,654	-	598,654
<b>Total transactions with owners</b>		<b>1</b>	<b>12,449</b>	<b>598,654</b>	<b>-</b>	<b>611,104</b>
<b>Total change in equity</b>		<b>1</b>	<b>12,449</b>	<b>598,654</b>	<b>(6,880,761)</b>	<b>(6,269,657)</b>
Opening Balance at 1 July 2019		487	36,284,682	1,865,011	(26,682,051)	11,468,129
<b>Closing Balance at 30 June 2020</b>		<b>488</b>	<b>36,297,131</b>	<b>2,463,665</b>	<b>(33,562,812)</b>	<b>5,198,472</b>
2019	Note	Called up share capital £	Share premium £	Share based payments reserve £	Retained earnings £	Total £
Loss for the year		-	-	-	(7,314,237)	(7,314,237)
<b>Total comprehensive loss</b>		-	-	-	(7,314,237)	(7,314,237)
Issue of shares		-	1,280	-	-	1,280
Share based payments	8	-	-	651,908	-	651,908
<b>Total transactions with owners</b>		<b>-</b>	<b>1,280</b>	<b>651,908</b>	<b>-</b>	<b>653,188</b>
<b>Total change in equity</b>		<b>-</b>	<b>1,280</b>	<b>651,908</b>	<b>(7,314,237)</b>	<b>(6,661,049)</b>
Opening Balance at 1 July 2018		487	36,283,402	1,213,103	(19,367,814)	18,129,178
<b>Closing Balance at 30 June 2019</b>		<b>487</b>	<b>36,284,682</b>	<b>1,865,011</b>	<b>(26,682,051)</b>	<b>11,468,129</b>

**ORIGAMI ENERGY LIMITED****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 £	2019 £
Net cash from Operating Activities	19	(7,219,016)	(6,896,498)
Taxation received		632,896	513,722
<b>Net cash used in Operating Activities</b>		<b>(6,586,120)</b>	<b>(6,382,776)</b>
<b>Cash flow from Investing Activities:</b>			
Purchase of Tangible Assets		(163,770)	(73,492)
Proceeds from disposal of tangible fixed assets		175	-
Disposal of subsidiary		-	1
Proceeds from disposal of short-term investments		7,500,000	300,000
Interest received		78,810	74,912
<b>Net Cash generated from Investing Activities</b>		<b>7,415,215</b>	<b>301,421</b>
<b>Cash flow from Financing activities:</b>			
Proceeds on share option exercise		12,450	1,280
<b>Net Cash generated from Financing Activities</b>		<b>12,450</b>	<b>1,280</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>841,545</b>	<b>(6,080,075)</b>
Cash and cash equivalents at the start of the year		3,604,866	9,684,941
Cash and cash equivalents at the end of the year		4,446,411	3,604,866
Cash and cash equivalents consists of:			
Cash at bank and in hand		4,446,411	3,604,866
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>4,446,411</b>	<b>3,604,866</b>

## **ORIGAMI ENERGY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

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#### **GENERAL INFORMATION**

Origami Energy Limited ('the Company') operates in the UK. The principal activity of the Company is the development and commercialisation of technology to enable the control and management of distributed energy assets.

The company is a private company limited by shares and is incorporated in England. The address of its registered office is Unit 205, Cambridge Science Park, Milton Road, Cambridge CB4 0GZ.

#### **1. STATEMENT OF COMPLIANCE**

The financial statements of Origami Energy Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### **2. SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of preparation**

These Company financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, being Financial Reporting Standard 102 (FRS 102).

##### **Going Concern**

The Company meets its day-to-day working capital requirements through its bank facilities.

The cash on hand at the date of approval of the financial statements is not sufficient for the Company to continue in operational existence for the period of 12 months after the date of signing these financial statements. Additional funding is required within 12 months to support the forecast working capital requirements.

Receipt of these additional funds is conditional upon the Company raising further funding from its existing and new investors, which is not certain. This condition represents a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, and it may therefore be unable to realise its assets and discharge its liabilities in the normal course of business. The directors reasonably expect, based on previous successful funding rounds and the continuing commercial progress, that sufficient funding will be secured within the required timeframe and hence it is appropriate that these financial statements are prepared on a going concern basis.

Whilst the Covid-19 pandemic has not had an impact on the day to day operations of the company the directors acknowledge that it has had an impact on the company's ability to fundraise within the timescales originally intended. The company has taken measures to ensure that its existing cash reserves are sufficient for it to continue in business well into 2021 and the directors are confident that the company will raise sufficient funds within the timescale that these actions have allowed.

If the Company were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to revise the balance sheet values of assets to their recoverable amounts, to provide for further liabilities that might arise on closure of the business, and to reclassify fixed assets as current.

**ORIGAMI ENERGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**

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**3. SIGNIFICANT ACCOUNTING POLICIES - continued**

**Foreign Currency**

**i. Functional and presentation currency**

The Company's financial statements are presented in pound sterling. The Company's functional and presentation currency is the pound sterling.

**ii. Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account. All foreign exchange gains and losses are presented in the profit and loss account.

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

**Electricity flexibility services**

The Company earns revenue from providing electricity flexibility to major electricity system players. Revenue is recognised on a monthly basis at a fixed rate for electricity flexibility that is made available to customers.

**Platform revenue**

The Company earns revenue from providing technology solutions to major electricity system players via licence fee agreements. Revenue from these contracts is recognised over the period to which the licence relates.

**Other revenue**

The Company also earns revenue from consultancy and project management services. Revenue from these services is recognised in accordance with agreed milestones.

**Employee benefits**

**i. Short-term benefits**

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

**ii. Defined contribution pension plans**

The Company operates a defined contribution plans 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 when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

**iii. Share-based payments**

Equity-settled arrangements are measured at fair value (excluding the effect on nonmarket based vesting conditions) at the date of the grant. The share option vest in tranches determined at the date of grant and the fair value is expensed over the vesting period of the respective tranche. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest.

**ORIGAMI ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS – continued**

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**3. SIGNIFICANT ACCOUNTING POLICIES – continued****Taxation****i. Current tax**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

**ii. Deferred tax**

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

**Tangible fixed assets**

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the assets to its working condition for its intended use. Depreciation is provided at the following annual rate in order to write off each asset over its estimated useful life:

Hardware and Lab equipment	3 years
Office equipment	3 years
Office fit out costs	Over term of lease
Energy Routers	15 years

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**Financial instruments**

The company enters only into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors.

Assets and liabilities are measured initially and subsequently at the undiscounted value of cash consideration expected to be paid or received.

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

**4. ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**ORIGAMI ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued****5. TURNOVER**

Analysis of turnover by geography:	Year ended 30 June 2020 £	Year ended 30 June 2019 £
United Kingdom	<u>830,871</u>	<u>887,161</u>
<b>Analysis of turnover by category:</b>		
Electricity flexibility services	-	193,470
Platform revenue	493,223	347,136
Other	<u>337,648</u>	<u>346,555</u>
Total	<u>830,871</u>	<u>887,161</u>

**6. OPERATING LOSS**

The Company's operating loss is stated after charging/ (crediting):

	Year ended 30 June 2020 £	Year ended 30 June 2019 £
(Profit)/ loss on disposal of fixed assets	<u>(175)</u>	<u>2,142</u>
Fees payable to the Company's auditors	20,000	17,225
Tax advisory and compliance services	7,506	9,500
Total amount payable to the Company's auditors	<u>27,506</u>	<u>26,725</u>
Operating lease charge	<u>322,437</u>	<u>255,845</u>

**7. STAFF COSTS**

The cost of staff employed was as follows:

	Year ended 30 June 2020 £	Year ended 30 June 2019 £
Wages and salaries	4,610,165	4,061,904
Social security costs	526,433	475,832
Other pension costs	167,859	121,287
Share based payments	598,654	651,908
Total	<u>5,903,111</u>	<u>5,310,931</u>

**ORIGAMI ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS – continued****7. STAFF COSTS continued****Employees**

The average monthly number of employees (including executive directors) employed by the company during the year was as follows:

	Year ended 30 June 2020 Number	Year ended 30 June 2019 Number
Directors	3	5
Administration and operations	66	56
	<u>69</u>	<u>61</u>

**Directors**

The directors' emoluments were as follow:

	Year ended 30 June 2020 £	Year ended 30 June 2019 £
Aggregate remuneration	242,628	155,339
Pension Contribution	8,891	4,225
	<u>251,519</u>	<u>159,564</u>

No share options were exercised in the year.

**Highest Paid Director**

The highest paid directors' emoluments were as follow:

	Year ended 30 June 2020 £	Year ended 30 June 2019 £
Aggregate remuneration	130,115	135,339
Pension Contribution	5,200	4,225
	<u>135,315</u>	<u>139,564</u>

No share options were exercised in the year.

**ORIGAMI ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued****8. SHARE BASED PAYMENTS**

The Company has an Enterprise Management Incentive share option scheme for all employees. The options vest over a period of three years from grant date subject to continued employment within the company. The option period commences from the grant date and ends on the date prior to the tenth anniversary of the grant date. A reconciliation of share option movements over the year to 30 June is shown below.

	2020	2020	2019	2019
	Number	Weighted average exercise price	Number	Weighted average exercise price
		£		£
Opening Balance	323,443	1.48	333,700	1.39
Option granted	150,233	2.50	66,493	2.50
Options exercised	(9,100)	-	(850)	-
Options expired	(65,658)	-	(75,900)	-
Closing Balance	398,918	1.76	323,443	1.48

The fair value of the share options granted during the year is determined using the Black Scholes model. Relevant market assumptions have been used and the model is internationally recognised as being appropriate to value employee share options.

The Company issued 10,000 warrants to a Director on 28 June 2018. One third of these vest immediately on grant and the remaining two thirds vest 12 and 24 months from grant date respectively. The fair value of these warrants is also determined using the Black Scholes model and the same market assumptions as above.

The total charge for the year for share based payments was £598,654 (2019: £651,908).

**9. TAX ON LOSS**

	Year ended 30 June 2020	Year ended 30 June 2019
	£	£
<b>Tax credit included in profit and loss account:</b>		
Research and development tax credit at 14.5 % (2019: 14.5%)	(694,115)	(600,000)
Adjustment in respect of prior years	(32,896)	(13,722)
<b>Tax on loss on ordinary activities</b>	<b>(727,011)</b>	<b>(613,722)</b>

**ORIGAMI ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued****9. TAX ON LOSS continued**

The tax assessed for the year is lower (2019: lower) than the standard effective rate of corporation tax in the UK for the year ended 30 June 2020 of 19% (2019: 19%).

The differences are explained below:

	Year ended 30 June 2020	Year ended 30 June 2019
	£	£
<b>Reconciliation of income tax charge</b>		
Loss before taxation	(7,607,772)	(7,927,959)
Corporation tax charge at 19 % (2019: 19%)	(1,445,476)	(1,506,312)
Effects of:		
Losses carried forward to offset against future profit	916,024	1,032,043
Expenses not deductible for tax purposes	153,551	134,668
Unrecognised deferred tax asset	375,901	339,601
Research and development tax credit	(694,115)	(600,000)
Adjustment in respect of prior year	(32,896)	(13,722)
<b>Total tax for the year</b>	<b>(727,011)</b>	<b>(613,722)</b>

No corporation tax liability arises on the results for the year due to the loss incurred.

The Company had potential deferred tax assets at the prevailing rate of 19% (2019: 17%) in relation to tax losses carried forward of £4,469,019 (2019: £3,344,872) and timing difference on fixed assets of £4,507 (2019: £28,331). The deferred tax asset is not recognised as there is insufficient evidence that they are recoverable. The deferred tax asset would be recoverable if the Company were to become profitable in the future.

**ORIGAMI ENERGY LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued****10. TANGIBLE ASSETS**

	Hardware and Lab Equipment £	Office Equipment £	Office Fit Out Costs £	Energy Routers £	Total £
<b>COST</b>					
At 1 July 2019	587,520	66,645	73,230	119,940	847,335
Additions	45,181	16,153	95,019	7,417	163,770
Disposal	(8,289)	-	-	-	(8,289)
At 30 June 2020	<b>624,412</b>	<b>82,798</b>	<b>168,249</b>	<b>127,357</b>	<b>1,002,816</b>
<b>ACCUMULATED DEPRECIATION</b>					
At 1 July 2019	527,818	62,492	73,230	14,170	677,710
Charge for year	48,990	8,376	15,836	8,310	81,512
Eliminated on disposal	(8,289)	-	-	-	(8,289)
At 30 June 2020	<b>568,519</b>	<b>70,868</b>	<b>89,066</b>	<b>22,480</b>	<b>750,933</b>
<b>NET BOOK VALUE</b>					
At 30 June 2020	<b>55,893</b>	<b>11,930</b>	<b>79,183</b>	<b>104,877</b>	<b>251,883</b>
At 30 June 2019	59,702	4,153	-	105,770	169,625

**11. FIXED ASSET INVESTMENTS**

	At 30 June 2020 £	At 30 June 2019 £
Investment in Origami Storage Limited:	-	100
	<b>-</b>	<b>100</b>

Origami Storage Limited was dissolved on 31 March 2020 and the investment has been written down to £nil.

**ORIGAMI ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued****12. DEBTORS**

	At 30 June 2020 £	At 30 June 2019 £
Short term bank bonds	43,730	43,730
Amounts owed by group undertakings	-	11,474
Trade debtors	213,154	49,482
Other debtors	157,194	139,985
Prepayments and accrued income	220,422	81,617
Research and development tax credit	694,115	600,000
	<u>1,328,615</u>	<u>926,288</u>

**13. CURRENT ASSET INVESTMENTS**

	At 30 June 2020 £	At 30 June 2019 £
Cash term deposits:		
12 month, maturing 13 Nov 2019 at interest rate 0.93%	-	7,500,000
	<u>-</u>	<u>7,500,000</u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	At 30 June 2020 £	At 30 June 2019 £
Trade creditors	200,355	184,941
Taxation and social security	150,910	151,944
Accruals and deferred income	439,696	357,977
Unpaid share capital	-	100
Other creditors	37,476	37,788
	<u>828,437</u>	<u>732,750</u>

**ORIGAMI ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued****15. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid: Number:	Class:	Nominal	At 30 June 2020 £	At 30 June 2019 £
1,020,116 (2019: 1,011,016)	Ordinary	£0.0001	102	101
3,855,474 (2019: 3,855,474)	A Ordinary	£0.0001	386	386
			<u>488</u>	<u>487</u>

The Ordinary shares and A Ordinary shares have equal rights and are ranked pari passu.

During the year ended 30 June 2019, 850 share options were exercised on which share premium of £1,280 arose

During the year ended 30 June 2020, 9,100 share options were exercised on which share premium of £12,449 arose

**16. RELATED PARTY DISCLOSURES**

In the opinion of the directors there is no ultimate parent or controlling party.

**17. WARRANTS**

In 2014, in conjunction with the shares issued as disclosed in note 15, 28,126 £0.0001 A ordinary shares (Warrant Shares) were issued. If these warrants are exercised the total consideration will be allocated between the Share Capital and Share Premium in accordance with relevant UK Law. The warrants expire 10 years after issue.

**18. FINANCIAL COMMITMENTS**

The future minimum operation lease payments are as follows:

	At 30 June 2020 £	At 30 June 2019 £
<b>Expiry date:</b>		
Not later than one year	217,351	122,398
Later than one year and not later than five years	256,271	24,893
	<u>473,622</u>	<u>147,291</u>

The operating leases relate to the offices in Cambridge.

**ORIGAMI ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued****19. CASH FLOW FROM OPERATIONS**

	Year ended 30 June 2020 £	Year ended 30 June 2019 £
Loss for the financial year	(6,880,761)	(7,314,237)
Tax on loss	(727,011)	(613,722)
Interest receivable and similar income	(78,810)	(74,912)
<b>Operating Loss</b>	<b>(7,686,582)</b>	<b>(8,002,871)</b>
Amortisation of Intangible Assets	-	17,075
Write back Intangible Assets to profit and loss account	-	2,711
Depreciation of Tangible Assets	81,512	116,366
(Profit)/ Loss on disposal of tangible assets	(175)	2,142
Write down of subsidiary	100	-
Share based payments charge	598,654	651,908
Working capital movements:		
(Increase)/ decrease in debtors	(308,212)	396,949
Increase/ decrease in creditors	95,687	(80,778)
<b>Cash flow from Operating Activities</b>	<b>(7,219,016)</b>	<b>(6,896,498)</b>

**20. ANALYSIS OF CHANGES IN DEBT**

	At 1 July 2019 £	Cashflows £	At 30 June 2020 £
<b>Cash and cash equivalents</b>			
Cash at bank and in hand	3,604,866	841,545	4,446,411
Short term investments	7,500,000	(7,500,000)	-
<b>Total</b>	<b>11,104,866</b>	<b>(6,658,455)</b>	<b>4,446,411</b>

**21. EVENTS AFTER THE REPORTING PERIOD**

There are no events to report on after the reporting period.