

4194006



Green Energy (UK) Plc

Report and Financial Statements

Period Ended

30 April 2002



Green Energy (UK) Plc

Report and financial statements for the period ended 30 April 2002

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Directors

Ramsey Dunning
Doug Stewart
Sir Peter Thompson

Secretary and registered office

Lawgram Secretaries Limited, 190 Strand, London, WC2R 1JN

Company number

4194006

Auditors

BDO Stoy Hayward, Prospect Place, 85 Great North Road
Hatfield, Herts, AL9 5BS



Green Energy (UK) plc commenced trading on 1st July 2001 and these accounts cover the first 10 months. This report and accounts is therefore not a full year and it is worth emphasising the company started from a zero base.

The business proposition is an interesting one that embraces both the concept of environmental responsibility and consumer capitalism. We set out to grow without expensive media expenditure and the business has developed steadily through word of mouth and latterly PR. Annualised turnover is now around £½ million, which should account for a saving of some 5,000 tonnes of carbon gas contrasted with the reported turnover of £104,432. So we are saving steadily and in line with our expectations

Our deliberate low-key start has enabled us to prove our internal systems and processes and we now have confidence in our ability to handle accelerated growth.

Green Energy's first year has been an eventful one

In terms of wider recognition we achieved a 2nd = and 4th = placing for our tariffs in the Friends of the Earth's green suppliers league table and our CEO was short-listed as a founder of the company for an RSA award in connection with an Earth Summit in Johannesburg in September.

We have found interest from the most unusual quarters and we have been pleased to negotiate our first partnership agreements to buy wind energy from RES at their visitors centre being built on the M25 and green electricity (CCL exempt) from the CHP plant of a local tomato grower!

To get the business up and running took considerable research time and resources that are not included here. Douglas Stewart Limited of which Douglas Stewart and I are directors has provided the management to Green Energy. It has also loaned the company some start-up capital that it will not seek repayment of until such time as Green Energy has the resources to pay. It has an ongoing arrangement to supply office services, which it invoices on a monthly basis.

In line with our undertaking in the prospectus the Directors have not taken any remuneration from the company.

After a solid start we look forward to continued growth in customer numbers and turnover and would encourage all our early shareholders to persuade their friends and colleagues that this is a business that is well worth supporting and to pass on to us their names so we can enlist them as customers. Word of mouth is the most effective way of obtaining new customers and hence bringing profitability to the company and value to your shares.

Sir Peter Thompson

Chairman



Green Energy (UK) Plc

Report of the directors for the period ended 30 April 2002

The directors present their report together with the audited financial statements for the period ended 30 April 2002. The company was incorporated as Findella Plc on 4 April 2001 and changed its name to Green Energy (UK) Plc on 4 June 2001. The company commenced trading on 1 July 2001.

Results and dividends

The profit and loss account is set out on page 6 and shows the loss for the period.

Principal activities, review of business and future developments

The company's principal activity is that of domestic and commercial electricity supply.

The directors are satisfied with the results for the period and expect significant further growth in the following year.

Renewable Energy

The companies policy is to purchase it's green electricity only from generators that have been awarded a Climate Change Levy Exemption Certificate after independent verification by OFGEM.

Policy and practice on the payment of creditors

The company will follow its code on payment practice, known as "Bill Code", during the next year. This code is available at our registered office and sets out the company's policy of settling terms of payment with its suppliers when agreeing the terms of transactions and of ensuring suppliers are made aware of them. The company has a successful record of abiding by the terms of "Bill Code" and this is expected to continue.

The number of average days purchases of the company represented by trade creditors at 30 April 2002 was 30.

Director

The directors of the company during the period and their interest in the ordinary share capital of the company were:

	30 April 2002*	4 April 2001**
	£	£
Ramsey Dunning (Appointed 05/06/01)	7,500	-
Doug Stewart (Appointed 05/06/01)	25,000	-
Sir Peter Thompson (Appointed 05/06/01)	17,500	-
Combined Secretarial Services Limited (Appointed 02/04/01; Resigned 22/05/01)	-	-
Combined Nominees Limited (Appointed 02/04/01; Resigned 22/05/01)	-	-
Lawgram Secretaries Limited (Appointed 22/05/01; Resigned 05/06/01)	-	-
Lawgram Directors Limited (Appointed 22/05/01; Resigned 05/06/01)	-	-

* or date of resignation (if earlier)

** or date of appointment (if later)



Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which 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 those 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 applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which 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 1985. 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.

Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Auditors

BDO Stoy Hayward were appointed as auditors during the period and have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board

Doug Stewart

Director

14 October 2002



Green Energy (UK) Plc

Report of the independent auditors

To the shareholders of Green Energy (UK) Plc

We have audited the financial statements of Green Energy (UK) Plc for the period ended 30 April 2002 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, plus any other items which have been audited and are not included in the financial statements and the related notes. These financial statements have been prepared under the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2002 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
Hatfield

Date: 14th October 2002.



Green Energy (UK) Plc

Profit and loss account for the period ended 30 April 2002

	Note	Period ended 30 April 2002 £
Turnover	2	104,432
Cost of sales		79,840
		<hr/>
Gross profit		24,592
Distribution costs		3,208
Administrative expenses		67,215
		<hr/>
Loss on ordinary activities before and after taxation for the financial period	3	(45,831)
		<hr/>

All amounts relate to continuing activities.

All recognised gains and losses in the current period are included in the profit and loss account.

There are no movements in shareholders' funds in the current period apart from the loss for the period.

The notes on pages 9 to 13 form part of these financial statements.

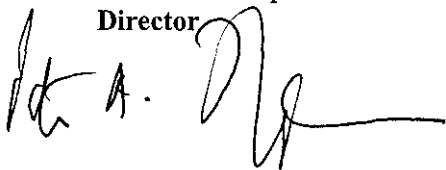
Green Energy (UK) Plc

Balance sheet at 30 April 2002

	Note	30 April 2002 £	30 April 2002 £
Current assets			
Debtors	5	47,511	
Cash at bank and in hand		33,198	
		<hr/>	
		80,709	
Creditors: amounts falling due within one year	6	46,216	
		<hr/>	
Total assets less current liabilities			34,493
Creditors: amounts falling due after more than one year	7		30,000
			<hr/>
			4,493
			<hr/>
Capital and reserves			
Called up share capital	8		50,324
Profit and loss account			(45,831)
			<hr/>
Equity shareholders' funds			4,493
			<hr/>

The financial statements were approved by the Board on 14 October 2002.

Sir Peter Thompson
Director



Ramsey Dunning
Director



The notes on pages 9 to 13 form part of these financial statements.

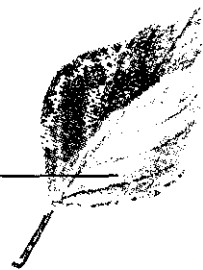


Green Energy (UK) Plc

Cash flow statement for the period ended 30 April 2002

	Note	Period ended 30 April 2002 £
Net cash outflow from operating activities	10	(17,126)
		<hr/>
Cash outflow before financing		(17,126)
Financing	11	50,324
		<hr/>
Increase in cash	12	33,198
		<hr/>

The notes on pages 9 to 13 form part of these financial statements.



1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Deferred taxation

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

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

2 Turnover, profit and net assets

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.



Green Energy (UK) Plc

Notes forming part of the financial statements for the period ended 30 April 2002 (Continued)

3 Loss on ordinary activities

	Period ended 30 April 2002 £
This is arrived at after charging:	
Audit services	6,000

4 Taxation on loss on ordinary activities

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	Period ended 30 April 2002 £
Loss on ordinary activities before tax	(45,831)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30%	(13,749)
Effect of:	
Tax losses carried forward	13,749
Current tax charge for period	-

5 Debtors

	30 April 2002 £
Trade debtors	44,324
Other debtors	3,187
	47,511

All amounts shown under debtors fall due for payment within one year.

**6 Creditors: amounts falling due within one year**

	30 April 2002 £
Trade creditors	27,103
Accruals and deferred income	19,113
	<hr/>
	46,216
	<hr/>

7 Creditors: amounts falling due after more than one year

	30 April 2002 £
Other creditors (note 9)	30,000
	<hr/>

8 Share capital

	Authorised 30 April 2002 £	Allotted, called up and fully paid 30 April 2002 £
<i>Equity share capital</i>		
'A' Ordinary shares of £0.001 each	50,000	50,000
'B' Ordinary shares of £0.001 each	50,000	324
	<hr/>	<hr/>
	100,000	50,324
	<hr/>	<hr/>

The company's authorised issued share capital on incorporation was 50,000 Ordinary shares of £1 each. On 18 June 2001 the authorised share capital was redesignated as 50,000,000 Ordinary 'A' shares of £0.001.

The authorised share capital was also increased on 18 June 2001 to 100,000,000 Ordinary shares of £0.001, through the creation of an additional 50,000,000 Ordinary 'B' shares of £0.001.

'A' Ordinary shares have been issued to the directors of the company, as detailed in the directors report.

'B' Ordinary shares have been set aside for issue to customers. The first 1,000 customers will receive 1,000 'B' Ordinary shares of £0.001 each, and the first 100,000 customers will receive 400 'B' Ordinary shares of £0.001 each. The directors may, at their discretion, issue an additional 1,000 shares to customers they deem to be key to the business.



8 Share capital (*continued*)

'B' Ordinary shares may be redeemed, at the option of the company, for a total of £0.01 for the customers entire shareholding if the customer does not remain a customer of the company for three consecutive calender years after the date of allotment.

The directors are personally responsible to pay up in full the nominal value of customers 'B' Ordinary shares as and when they are allotted, without recourse to the customer. The directors will have no rights over the customers shares.

The rights of each class of share vary and full details of these are outlined in the articles of association. However, the main difference is that 'B' ordinary shareholders have no rights to receive any monies on the winding up of the company.

9 Related party disclosures

Related party transactions and balances

During the year Douglas Stewart Limited, of whom Doug Stewart and Sir Peter Thompson are both directors, paid £30,000 on behalf of Green Energy (UK) Plc to a supplier. This amount is included in creditors falling due after more than one year and Douglas Stewart Limited have confirmed that repayment will not be requested until such time as funds are available.

Also during the period Douglas Stewart Limited recharged Green Energy (UK) Plc £5,665 for the supply of office services on an arms length basis.

10 Reconciliation of operating loss to net cash outflow from operating activities

	Period ended 30 April 2002 £
Operating loss	(45,831)
Increase in debtors	(47,511)
Increase in creditors	76,216
	<hr/>
Net cash outflow from operating activities	(17,126)
	<hr/>



11 Analysis of cash flows for headings netted in the cash flow statement

	Period ended 30 April 2002 £
Returns on investment and servicing of finance	
Financing	
Share capital issued	50,324
	<hr/>

12 Reconciliation of net cash flow to movement in net funds

	Period ended 30 April 2002 £
Increase in cash	33,198
	<hr/>
Movement in net debt	33,198
Opening net funds	-
	<hr/>
Closing net funds	33,198
	<hr/>

13 Analysis of net funds

	Cash flow £	At 30 April 2002 £
Cash at bank and in hand	33,198	33,198
	<hr/>	<hr/>



The pages which follow do not
form part of the statutory
financial statements of the company