

Company Registration No. 04194006 (England and Wales)

**GREEN ENERGY (UK) PLC**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2012**

THURSDAY



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COMPANIES HOUSE

# **GREEN ENERGY (UK) PLC**

## **COMPANY INFORMATION**

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### **Directors**

D Stewart  
Sir Peter Thompson  
T J Smith

### **Secretary**

Aldbury Secretaries Limited

### **Company number**

04194006

### **Registered office**

Black Swan House  
23 Baldock Street  
Ware  
SG12 9DH

### **Auditors**

Mercer & Hole  
Silbury Court  
420 Silbury Boulevard  
Central Milton Keynes  
MK9 2AF

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# **GREEN ENERGY (UK) PLC**

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## **GREEN ENERGY (UK) PLC**

### **Chairman's statement**

#### **SHARING OUR SUCCESS**

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##### **Highlights**

**Turnover up 13.2% to £8.1M, last year £7.2M**

**Profit up 11.3% to £451K, last year £405K**

**Customer numbers up by 22.5%**

Yet again I set out our results and am very pleased to report another year of solid growth. Life has not got any easier indeed we are technically in a double dip recession, while the country continues to endure the concept of austerity we have been maintaining our forward momentum and the business has managed to increase customer numbers, turnover and profits.

We passed a milestone of 10 years in business this year and it has been marked by two significant events for the business although they are just background issues to our customers they will serve to provide them better service going forward.

The Company moved into new premises which provide a warm friendly environment and space for growth. It provides a better working environment both in terms of the office interior and its location. Having placed our customers at the centre of our business, our staff are at the heart of delivering on that commitment. Looking after our staff in a responsible way makes them equally important, which in turn maintains their motivation to build on the award winning customer service we deliver.

During the year we laid the foundations to move onto our own supply licence, a long held ambition, which was completed after the year end and we are now a fully licenced electricity supplier. This will be expanded upon in the Chief Executive's Report.

**Our commitment to our customers and our sharing principles were maintained as we once again paid a customer loyalty bonus of £25 per customer. The letters of thanks we receive confirm that this is the right approach.**

Can I once again thank all our customers and shareholders for their continued support. You would also wish me to particularly recognise the hard work and dedication of the members of our staff under the leadership of Doug Stewart without which these improving results would not have been possible.

**Sir Peter Thompson**  
**Chairman**

## **GREEN ENERGY (UK) PLC**

### **Chief Executive Officer's statement**

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We passed our 10th birthday during this financial year, and it is an opportunity for reflection, we've seen a number of changes in the time we have been in business - from being a bit left field back in 2001, we have seen an adoption of the green agenda by government, the public and the media. Whilst we were early adopters and a little misunderstood back then, we're pretty main-stream now.

**But we have held fast to our original principles of delivering quality, service, and ownership.**

The primary advantage Green Energy gains from being independent and customer-owned is our freedom to focus on what makes a meaningful difference to our customers.

The trust our customers place in us is the very foundation of our business, and we care passionately about the quality of experience we create for them.

Quality in the energy we buy, quality in the people we employ and quality in the service they deliver.

**This year, faced again with volatile markets and economic uncertainties, we continued to grow our customer base through word of mouth and our business relationships.**

Times of recession bring out the pragmatist in most of us and the prudent in almost all. Against a background of talk of austerity we felt it appropriate to focus inside the business in terms cash and costs while in terms of strategic objectives, we set about obtaining our own licence and occupying a new building with the scope for growth for when the economy turns as it certainly will.

We have continued our low-key investment in terms of PR and marketing and adopted a constant improvement attitude to upgrading our web presence. It might be a sign of age but web sites feel like geography books - they seem out of date by the time they are published.

In terms of our values one of the most unique is the principle of sharing, sharing the business, sharing information and sharing the success. Our billing and our annual statements provide our customers with simple easy to understand information on which to make energy efficiency decisions.

**We have continued to strengthen our team, adding human resources to outward facing areas of the business and we continue to invest in the development of our employees.**

The uptake as a result of the Feed in Tariff has been significant and while we took steps to secure a share of this nascent market, we were careful not to expose the business to cash flow pressures by over committing to the programme. However the government's change of heart during the consultation period last December has caused not only massive media interest but has also served to undermine confidence in the Coalition's ability to provide a robust policy framework. The fact that pressure groups took the government to court and won despite 3 appeals has done nothing for their credibility.

The feed in tariff clearly kick-started the market and the cost of solar installations has fallen dramatically, so a drop in the tariff level was inevitable. What's disappointing is that the government chose to reduce the rate outside the framework laid down in the legislation and have been proved wrong in the courts!

The Fit regime has seen more changes since the December debacle, which have not caused the same media or industry hysteria. That the scheme still attracts entrants suggests that the drop in tariffs is being compensated for by the drop in costs of equipment and installation.

An originally overgenerous policy yes, but DECC need to be careful that in their haste to reduce exposure to the scheme's generous tariffs, they don't tarnish all policy and confidence. There is a great deal of investment in infrastructure required and it is not all going to be found in the UK. Any investor in Great Britain plc needs to be confident that they can make returns and that a stable policy environment is in place to ensure they can do so into the foreseeable future.

We have continued to renegotiate the PPAs that have come up for renewal to date and have sufficient energy to cover our growth plans. Our generators now number more than 550.

## **GREEN ENERGY (UK) PLC**

### **Chief Executive Officer's statement**

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As has been mentioned, during the year we occupied new offices, and this move allowed us to further reinforce some of the values with which we started the business

We now occupy a 16th century coaching house. That in itself means it's a nice environment for the staff, but it is also in the town centre which cuts down on lunch time car journeys and encourages more walking trips to the shops or the sandwich bar

But it was also an act of recycling or up-cycling as it has become known in more fashionable circles. We started with a leaky old building and insulated it against the elements. Now it's easier to keep warm but just as importantly it's easier to keep cool in the summer - or on the few days the sun shines

We have always said the greenest energy is stuff we don't use, so we embraced the principle of using less, not trying to find clever technology to generate more in a sustainable way, a mantra of Jonathan Hines of Architype, one of our long standing customers

**So having achieved the use of less energy objective, we turned to what we should use to heat the space. Tucked into a corner of the kitchen is our very own Combined Heat and Power (CHP) generator. Anyone who has read anything I have written will know I am a huge fan of CHP, a mature and scalable green technology. With the Government's FiT scheme it's even more economic for us. So now, as we heat our offices, we also generate the electricity that runs some of our computers and lights. We really are 'Walking the talk'!**

As a point of interest, in the process of all this up-cycling we made a rather special find. We discovered a mural painted in 1622 but hidden behind a false wall for the last 390 years, it shows Charles I crest and as the historians amongst you will know, 1622 was around the time of Oliver Cromwell, so not a great time to be advertising you are a royalist! No wonder it was hidden. Anyway, we have liberated it, had it preserved and it is now a great talking point when we get the occasional I visitor

It goes without saying that service needs to have quality attached. With the move to the new office we have increased our customer service team this year. In fact we have employed 4 new members of staff since moving in, so we are a part of the private sector that really is creating jobs

While we have specialist teams for the various elements of the business, no one likes being shuffled around departments when they call in. We work hard to ensure all our customers experience friendly knowledgeable staff wherever their calls come into and that they will only be transferred if their query is of a particularly technical nature

We continue to strive to provide quality in everything we do with customers at the centre of our business, we've said it before but it is important to continue to emphasise it. It is vital that we walk that talk too and it becomes part of our DNA. Viewing our customers as partners allows us to help make a complicated industry easier to navigate

Our generators are a great bunch and we have long-standing relationships which we hope to maintain into an increasingly competitive future. We have added more solar and anaerobic digestion this year and we maintain our ties with skip operators which continues the up-cycling theme

Wholesale Energy prices were again in the news during the year not helped by the terrible problems faced as a result of the after effects in Japan from the earthquake and tsunami. Nuclear became the focus of safety concerns and our already faltering energy policy took another delay. So once again international events had a significant effect on the prices we pay for our energy, and further confirms why concentrating on UK alternative sustainable sources as part of our energy mix is so important to us all

## **GREEN ENERGY (UK) PLC**

### **Chief Executive Officer's statement**

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The pricing debate took an interesting turn when tariff complexity arrived centre stage and consumers were described as bamboozled. Ofgem and the Prime Minister began demanding less complexity to bring prices down.

Reducing tariff complexity and increasing the number of people switching will not of themselves bring prices down. A reduction in the number of tariffs and the way they are calculated will make the market more transparent and comparisons easier, but they are just marketing platforms to win market share and short term offers to attract serial switchers. We have always had two simple tariffs and believe part of our appeal is the simplicity of what we do and what we offer.

The real issue is energy security, where we buy our energy commodities from and how vulnerable we are to international markets. That is a national energy policy issue. The move towards sustainable energy from within our boundaries is the one sure way to cushion the effects of international energy prices. But not everyone agrees when planning applications go in for green technologies. We need more energy production that is not dependent on foreign gas and oil and that is the green way forward.

With the new licence and the office move we saw 2011/12 as a watershed, the start of the next stage in the company's growth and have used it as an impetus to embark upon a review of our marketing and PR activities.

We've also taken steps to refresh our messages and play to our strengths to appeal to a wider church of consumers, our growth aspirations being spurred on by the newly available space to bring on more staff.

It has long been an ambition of the company to hold its own electricity supply licence and become a fully licenced supplier. During the period under review we began preparing to switch over to our own licence, having acquired the licenced electricity company Garsington Energy Limited with the intention of trading on it from August 2012. At the time of writing this has taken place and we have successfully migrated all of our customers onto the Garsington licence. The process has been seamless, well as seamless as a Swan, all the energy out of sight and everything in view going smoothly. Appropriately our new office is Black Swan House.

The only difference we noticed was that Customer service was particularly busy in the first week after the switch but I'm delighted to report these were mostly routine enquiries brought about by the normal billing cycle. The increase in the volume of calls was a compression of the timeframe over which we sent out the bills, so the following lull was a little disconcerting until we'd done the analysis and realised the cause.

While licencing is really a background issue for our customers, what it does do is put us in control of all the upstream relationships we have with the industry. It means we can look for efficiencies that weren't available to us previously. It means that we are more in control of our customer touch points when we rely on third parties to carry out regulated tasks. We believe this should deliver economic and service level benefits and we will be monitoring these areas closely.

During an Olympic year it seems appropriate to mention a couple of good deeds related to sport.

I managed to ask a few of my friends and our customers to sponsor me to climb Mt Ventoux on my bicycle. It's fair to say that I am faster going down hills than up them but the generosity of my sponsors meant the Royal National Orthopaedic Hospital benefited.

But we equally continued to support some Kent swimmers and Ian our office manager in his walk to raise funds for the teenage cancer trust.

In all around £10,000 was raised for good causes and a few of us got healthier, or should that be fitter, in the process!

## **GREEN ENERGY (UK) PLC**

### **Chief Executive Officer's statement**

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Feedback from our consumer research this year suggested that there were areas we could improve, but that we were trusted, open, honest, and helpful. That is the work and the effort of the staff bringing a vision to life, like the Chairman I would like to thank publically the staff without whose commitment and drive we couldn't deliver. It goes without saying, that if you are unhappy with anything, we want to know so we can fix it, but we are equally keen to highlight internally a job well done, so if we've done something well please feel free to let us know.

And lastly thank you our customers and shareholders for your continued support.

**Douglas Stewart**  
**Chief Executive Officer**



# **GREEN ENERGY (UK) PLC**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 APRIL 2012**

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The directors present their report and financial statements for the year ended 30 April 2012

### **Principal activities and review of the business**

The principal activity of the company is that of domestic and commercial electricity supply

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

### **Results and dividends**

The results for the year are set out on page 10

The directors do not recommend payment of an ordinary dividend

### **Green energy**

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

### **Financial instruments**

The main risks arising from the company's activities are credit risk and liquidity risk. These are monitored by the board of directors and were not considered to be significant at the balance sheet date

The company's policy in respect of credit risk is to require appropriate credit checks on potential customers. The company's policy in respect of liquidity risk is to maintain a mixture of short term debt finance and readily accessible bank deposit accounts, to ensure the company has sufficient funds for operations. The cash deposits are held in current accounts which earn interest at a floating rate. Debt is maintained at fixed and floating interest rates.

### **Directors**

The following directors have held office since 1 May 2011

D Stewart

Sir Peter Thompson

T J Smith

### **Creditor payment policy**

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 2012 was 28 days (2011 - 26 days)

### **Auditors**

The auditors, Mercer & Hole, are deemed to be reappointed under section 487(2) of the Companies Act 2006

**GREEN ENERGY (UK) PLC**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2012**

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**Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

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

**Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



D Stewart

Director

3 September 2012

## **GREEN ENERGY (UK) PLC**

### **INDEPENDENT AUDITORS' REPORT**

#### **TO THE MEMBERS OF GREEN ENERGY (UK) PLC**

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We have audited the financial statements of Green Energy (UK) Plc for the year ended 30 April 2012 set out on pages 10 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 6 - 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2012 and of its profit 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**GREEN ENERGY (UK) PLC**

**INDEPENDENT AUDITORS' REPORT (CONTINUED)**

**TO THE MEMBERS OF GREEN ENERGY (UK) PLC**

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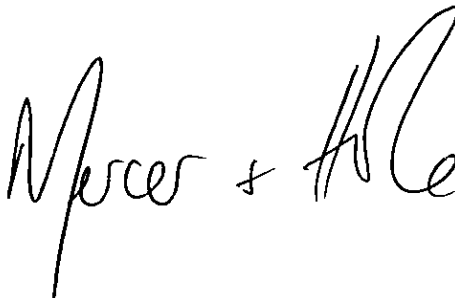
**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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

**Paul Maberly (Senior Statutory Auditor)**  
for and on behalf of Mercer & Hole

**Chartered Accountants**  
**Statutory Auditor**

  
5/9/12

Silbury Court  
420 Silbury Boulevard  
Central Milton Keynes  
MK9 2AF

**GREEN ENERGY (UK) PLC****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 APRIL 2012**

	Notes	2012 £	2011 £
Turnover	2	8,138,576	7,187,647
Cost of sales		(6,176,052)	(5,475,763)
Gross profit		1,962,524	1,711,884
Administrative expenses		(1,509,608)	(1,302,333)
Operating profit	3	452,916	409,551
Other interest receivable and similar income	4	3,836	1,868
Interest payable and similar charges	5	(5,634)	(5,561)
Profit on ordinary activities before taxation		451,118	405,858
Tax on profit on ordinary activities	6	(76,889)	(109,875)
Profit for the year	14	374,229	295,983

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

**GREEN ENERGY (UK) PLC**

**BALANCE SHEET**

**AS AT 30 APRIL 2012**

	Notes	2012 £	£	2011 £	£
<b>Fixed assets</b>					
Tangible assets	7		398,261		70,910
Investments	8		50,002		50,000
			<u>448,263</u>		<u>120,910</u>
<b>Current assets</b>					
Debtors	9	1,862,990		1,201,390	
Cash at bank and in hand		299,254		674,626	
		<u>2,162,244</u>		<u>1,876,016</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(1,492,029)</u>		<u>(1,252,156)</u>	
<b>Net current assets</b>			<u>670,215</u>		<u>623,860</u>
<b>Total assets less current liabilities</b>			<u>1,118,478</u>		<u>744,770</u>
<b>Creditors: amounts falling due after more than one year</b>	11		<u>(100,870)</u>		<u>(101,361)</u>
			<u>1,017,608</u>		<u>643,409</u>
<b>Capital and reserves</b>					
Called up share capital	13		54,475		54,505
Other reserves	14		569		569
Profit and loss account	14		962,564		588,335
<b>Shareholders' funds</b>	15		<u>1,017,608</u>		<u>643,409</u>

Approved by the Board and authorised for issue on 3rd September 2012



T J Smith  
Director



D Stewart  
Director

Company Registration No 04194006

**GREEN ENERGY (UK) PLC**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 30 APRIL 2012**

	£	2012 £	£	2011 £
<b>Net cash inflow from operating activities</b>		79,199		518,535
<b>Returns on investments and servicing of finance</b>				
Interest received	3,836		1,868	
Interest paid	(5,634)		(5,561)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(1,798)		(3,693)
<b>Taxation</b>		(96,889)		(81,756)
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible assets	(353,129)		(62,618)	
Payments to acquire investments	(2)		(50,000)	
<b>Net cash outflow for capital expenditure</b>		(353,131)		(112,618)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(372,619)		320,468
<b>Financing</b>				
Issue of ordinary share capital	(30)		560	
Other new long term loans	-		1,559	
Repayment of other long term loans	(491)		-	
<b>Net cash (outflow)/inflow from financing</b>		(521)		2,119
<b>(Decrease)/increase in cash in the year</b>		<u>(373,140)</u>		<u>322,587</u>

**GREEN ENERGY (UK) PLC**

**NOTES TO THE CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 30 APRIL 2012**

<b>1</b>	<b>Reconciliation of operating profit to net cash inflow from operating activities</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	Operating profit	452,916	409,551
	Depreciation of tangible assets	25,779	14,781
	Increase in debtors	(661,600)	(164,851)
	Increase in creditors within one year	262,104	259,054
	<b>Net cash inflow from operating activities</b>	<b>79,199</b>	<b>518,535</b>

<b>2</b>	<b>Analysis of net funds</b>	<b>1 May 2011</b>	<b>Cash flow</b>	<b>Other non-cash changes</b>	<b>30 April 2012</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	Net cash				
	Cash at bank and in hand	674,626	(375,372)	-	299,254
	Bank overdrafts	(2,232)	2,232	-	-
		<u>672,394</u>	<u>(373,140)</u>	<u>-</u>	<u>299,254</u>
	Bank deposits	-	-	-	-
	Debt				
	Debts falling due after one year	(101,361)	491	-	(100,870)
	<b>Net funds</b>	<u>571,033</u>	<u>(372,649)</u>	<u>-</u>	<u>198,384</u>

<b>3</b>	<b>Reconciliation of net cash flow to movement in net funds</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	(Decrease)/increase in cash in the year	(373,140)	322,587
	Cash outflow/(inflow) from decrease/(increase) in debt	491	(1,559)
	<b>Movement in net funds in the year</b>	<b>(372,649)</b>	<b>321,028</b>
	Opening net funds	571,033	250,005
	<b>Closing net funds</b>	<b>198,384</b>	<b>571,033</b>



# GREEN ENERGY (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2012

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

#### 1.3 Turnover and Revenue Recognition

Revenue comprises revenue from the sale of electricity to commercial and domestic customers. Revenue excludes Value Added Tax. Revenue from the sale of electricity to commercial and domestic customers is recognised when earned on the basis of a contractual agreement with the customer. It reflects the value of the volume supplied, including an estimated value of the volume supplied to customers, between the date of their last meter reading and the year end.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	Over the life of the lease
Plant and machinery	33 33% straight line
Computer equipment	33 33% straight line
Fixtures, fittings & equipment	20% straight line

#### 1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### 1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### 1.9 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 405 (2) of the Companies Act 2006 as the directors consider subsidiary's results are not material.

**GREEN ENERGY (UK) PLC****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2012****2 Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

<b>3 Operating profit</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging		
Depreciation of tangible assets	25,779	14,781
Auditors' remuneration the audit of these financial statements	9,000	9,000
- Taxation	1,500	1,500
- Other services	11,757	4,524

<b>4 Investment income</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Bank interest	3,836	1,868
	3,836	1,868

<b>5 Interest payable</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Other interest	5,634	5,561

**GREEN ENERGY (UK) PLC****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2012**

<b>6 Taxation</b>	<b>2012 £</b>	<b>2011 £</b>
<b>Domestic current year tax</b>		
U K corporation tax	90,000	110,000
Adjustment for prior years	(13,111)	(125)
<b>Total current tax</b>	<b>76,889</b>	<b>109,875</b>
 <b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	451,118	405,858
 Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 25.83% (2011 - 27.84%)	116,524	112,991
 Effects of		
Non deductible expenses	2,077	6,369
Depreciation add back	6,659	4,115
Capital allowances	(29,230)	(7,775)
Adjustments to previous periods	(13,111)	-
Margin relief	(5,630)	(5,825)
Other tax adjustments	(400)	-
	<b>(39,635)</b>	<b>(3,116)</b>
 <b>Current tax charge for the year</b>	<b>76,889</b>	<b>109,875</b>

**GREEN ENERGY (UK) PLC****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2012****7 Tangible fixed assets**

	Land and buildings Leasehold £	Computer Equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 May 2011	52,873	66,269	9,398	128,540
Additions	267,127	44,980	41,023	353,130
Disposals	-	(19,006)	(9,398)	(28,404)
At 30 April 2012	320,000	92,243	41,023	453,266
<b>Depreciation</b>				
At 1 May 2011	-	50,288	7,342	57,630
On disposals	-	(19,006)	(9,398)	(28,404)
Charge for the year	4,267	14,898	6,614	25,779
At 30 April 2012	4,267	46,180	4,558	55,005
<b>Net book value</b>				
At 30 April 2012	315,733	46,063	36,465	398,261
At 30 April 2011	52,873	15,981	2,056	70,910

**GREEN ENERGY (UK) PLC****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2012****8 Fixed asset investments**

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1 May 2011	50,000
Additions	2
At 30 April 2012	50,002
<b>Net book value</b>	
At 30 April 2012	50,002
At 30 April 2011	50,000

**Holdings of more than 20%**

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held	
		Class	%
<b>Subsidiary undertakings</b>			
Garsington Energy Limited	England and Wales	Ordinary	100
Green Energy Electricity Limited	England and Wales	Ordinary	100
Green Energy Limited	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Capital and reserves	Profit for the year
Garsington Energy Limited	1	-
Green Energy Electricity Limited	1	-
Green Energy Limited	1	-

The accounts of Garsington Energy Limited, Green Energy Electricity Limited and Green Energy Limited have not been consolidated with those of the Company as the directors consider that the amounts involved are not material

**GREEN ENERGY (UK) PLC**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2012**

<b>9 Debtors</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Trade debtors	455,333	53,299
Other debtors	995,957	887,099
Prepayments and accrued income	411,700	260,992
	<u>1,862,990</u>	<u>1,201,390</u>

<b>10 Creditors: amounts falling due within one year</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	-	2,232
Trade creditors	865,555	630,044
Corporation tax	90,000	110,000
Other taxes and social security costs	37,272	33,647
Directors' current accounts	-	441
Accruals and deferred income	499,202	475,792
	<u>1,492,029</u>	<u>1,252,156</u>

The bank facilities are secured by a fixed and floating charge over the assets of the company

<b>11 Creditors: amounts falling due after more than one year</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Other loans	<u>100,870</u>	<u>101,361</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	<u>100,870</u>	<u>101,361</u>
	<u>100,870</u>	<u>101,361</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	100,870	-
In more than two years but not more than five years	-	101,361

The other loan of £100,870 (2011 101,361) is secured over the assets of the company. The loan is wholly repayable within five years. Interest is payable on the loan at a rate of 5% over the Bank of England base rate.

**GREEN ENERGY (UK) PLC**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 30 APRIL 2012***

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**12 Pension and other post-retirement benefit commitments**  
**Defined contribution**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Contributions payable by the company for the year	<u>37,227</u>	<u>34,433</u>

**GREEN ENERGY (UK) PLC****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2012**

<b>13 Share capital</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
'A' Ordinary shares of £0.001 each	53,701	53,626
'B' Ordinary shares of £0.001 each	274	379
'D' Ordinary shares of £0.001 each	500	500
	<u>54,475</u>	<u>54,505</u>

During the year 2,400 (2011 Nil) 'A' Ordinary shares of £0.001 each, 2,000 (2011 60,000) 'B' Ordinary shares of £0.001 each and £Nil (2011 £500,00) 'D' Ordinary shares of £0.001 each were allotted and fully paid at par for cash consideration 73,200 (2011 560) 'B' Ordinary shares were converted into 'A' Ordinary shares 34,800 (2011 Nil) 'B' Ordinary shares of £0.001 each were redeemed

'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.

'B' Ordinary shares will automatically convert into 'A' Ordinary shares three and a half years' after their allotment.

If the customer does not remain a customer of the company for three consecutive calendar years after the date of allotment, 'B' Ordinary shares will be redeemed, at the option of the company, for a total of £0.01 for the customer's entire shareholding.

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 customer shares.

'A' Ordinary shares and 'B' Ordinary shares rank *pari passu* in respect of the distribution of profits. The rights of each class of share vary and full details of these are outlined in the company's Articles of Association. Unlike the holders of 'A' Ordinary shares, the 'B' Ordinary shareholders have no rights to receive any monies on the winding up of the company.

'D' Ordinary shares hold a nominal value of £0.001 each. 'D' Ordinary shares will be automatically converted into 'B' Ordinary shares on the earliest of the following:

three and a half years after their allotment or when a successful offer to purchase a 90% or more of the issued equity share capital of the company is completed.

'D' Ordinary shares will be redeemed at the option of the company by written notice to the holder of the shares to be redeemed subject to the Companies Act 2006 for a total of one pence for the holder's entire holding of 'D' Ordinary shares.



**GREEN ENERGY (UK) PLC**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2012**

**14 Statement of movements on reserves**

	Other reserves (see below) £	Profit and loss account £
Balance at 1 May 2011	569	588,335
Profit for the year	-	374,229
	<u>569</u>	<u>962,564</u>
<b>Other reserves</b>		
<b>Capital redemption reserve</b>		
Balance at 1 May 2011 & at 30 April 2012	<u>569</u>	

**15 Reconciliation of movements in shareholders' funds**

	2012 £	2011 £
Profit for the financial year	374,229	295,983
Proceeds from issue of shares	(30)	560
	<u>374,199</u>	<u>296,543</u>
Net addition to shareholders' funds	643,409	346,866
Opening shareholders' funds	<u>1,017,608</u>	<u>643,409</u>
Closing shareholders' funds	<u>1,017,608</u>	<u>643,409</u>

**16 Financial commitments**

At 30 April 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 April 2013

	Land and buildings 2012 £	2011 £
Operating leases which expire		
Within one year	-	10,792
In over five years	25,000	18,500
	<u>25,000</u>	<u>35,792</u>

The Company is committed to purchase electric power under various short and long-term electricity supply contracts. At 30 April 2012 the estimated annual commitment for the purchase of electricity under all these contracts totalled £1.6 million (2011: £3 million).

**GREEN ENERGY (UK) PLC****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2012**

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<b>17 Directors' remuneration</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	369,344	354,512
Company pension contributions to defined contribution schemes	29,400	27,950
	<u>398,744</u>	<u>382,462</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2011 - 2)

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	180,000	166,666
Company pension contributions to defined contribution schemes	<u>16,200</u>	<u>15,350</u>

**18 Employees****Number of employees**

The average monthly number of employees (including directors) during the year was

	<b>2012</b>	<b>2011</b>
	<b>Number</b>	<b>Number</b>
Number of employees	<u>19</u>	<u>15</u>

**Employment costs**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Wages and salaries	821,117	684,629
Social security costs	95,220	77,811
Other pension costs	<u>37,227</u>	<u>34,433</u>
	<u>953,564</u>	<u>796,873</u>

**19 Control**

The company is controlled by the board of directors

**GREEN ENERGY (UK) PLC**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 30 APRIL 2012***

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**20 Related party transactions**

Included within Creditors falling due after more than one year is £100,870 (2011 - £101,362) in respect of loans from the Sir Peter Thompson Overseas Trust. The terms of the loan are detailed within Note 11 to the financial statements.

During the year, Douglas Stewart Ventures Limited, a company in which Douglas Stewart and Tim Smith are directors, recharged the company £34,900 (2011 £42,750) for strategic environmental marketing support. No amounts were outstanding at the balance sheet date.

During the year, Gail Stewart a wife of one of the directors, Douglas Stewart, recharged the company £25,000 (2011 £8,654) for the office rent. No amounts were outstanding at the balance sheet date.