

Company Registration No. 04194006 (England and Wales)

**GREEN ENERGY (UK) PLC**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2013**

TUESDAY



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**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 11.4% to £9.06M, last year £8.13M**

**Profit up 1.77% to £459K, last year £451K**

**Increase in cash position by 92.6% to £576k, last year £299k**

**Customer numbers up by 9.53%**

As I set out this year's results, I'm pleased to be reporting on another year of growth in the key areas of customer numbers, turnover and profits.

That's a good set of results in an economy that although now is showing some signs of growth, during the period under review had failed to respond to the various stimuli offered by the government. The combination of maintaining our prices through the winter period and a change in the mix of domestic and commercial customers has had an effect on margins, but in the current climate there are sound reasons for this.

During the year we transferred our business and our customers onto our own supply licence and achieved a long held ambition of becoming a fully licenced electricity supplier. The benefits are explained in the CEO report but the team handled the process seamlessly and I am delighted their efforts in this regard have been recognised and we are finalists in the Utilities & Telecoms Awards 2013.

Another significant activity for the business this year has been responding to Ofgem's Retail Market Review (RMR), which has been an ongoing process throughout the year. We are still unsure what will become licence conditions in April 2014 but this is a very significant piece of regulation and is Ofgem's attempt to rule out confusion and complexity from the retail market for energy. As with all regulations, while well meaning, some aspects have unintended consequences, and our regulatory team have been kept busy staying in step with the process, how the changes are likely to affect us and responding to the various consultations.

We support the aims of transparency and openness that the RMR has set out to achieve but are currently in dialogue with Ofgem on a number of issues and will continue to work tirelessly to maintain and hopefully retain our independent and innovative activities.

Can I once again thank our customers and shareholders for their continuing support and I am sure you would again want me to recognize the hard work and tireless dedication of our staff without which these continuing improved results would not be possible.

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

**4 September 2013**

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

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

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In the current climate any performance is a good performance and while the profit increase is relatively flat this year, we think the growth in customer numbers and turnover depicted by the financials is still quite an achievement and sets the company on a course that will allow it to continue to grow as the economy picks up

There has been clear pressure on margins and while we managed to maintain our pricing through the winter despite pricing actions by the Big Six, we were forced to increase our prices in the period under review and in line with our open and transparent values we provided an explanation and significant notice. I am pleased to say that the loyalty of our customers once again meant that such an honest approach to price increases did not result in losses in customer numbers

Consolidating is a term we have used a lot but during this year under review, we had good reason to be looking in at the business rather than out and consolidate we did!

We advised you that that we had purchased a licensed vehicle in the last set of accounts and that we were planning to transfer all of our supplies onto our own license during 2012

August 1st was the chosen date and as I write this we have just celebrated a year on our own license and a very interesting year it has been

To once again paraphrase Donald Rumsfeld -  
We knew there were lots of things we knew  
and we knew there lots of things we didn't know  
but really weren't sure exactly how many things we didn't know we didn't know  
and that was the challenge for 2012/13

Moving onto our own license was a very important step for us as a company. And as it turned out the things we didn't know we didn't know were very few

It turned us overnight into a licenced electricity supplier (exactly the same as the big boys), but with a different set of values

While downstream activities, billing, customer service and credit control have been in our control, this move also put us in charge of all our upstream contracts and relationships within the industry

Our challenge was to take over these responsibilities without any of our customers noticing - because in effect the process each customer had to go through was a change of supplier

Thanks to the efforts of our fantastic team, they achieved a seamless change and our customers saw no change to the service they received - well actually we believe they saw an improvement as we now contract directly with the industry operatives for metering and that is just one of the areas in which we have been able to offer an improved service

The change of licence has put much greater emphasis on regulation and our relationship with DECC and Ofgem. While this would always be an important part of our activity as a licenced electricity supplier, this year has been particularly significant in that regard

The year has been full of regulatory consultation on Ofgem's Retail Market Review (RMR) and DECC's (the Government's) Energy White Paper

As a result we are beginning to see the shape that the future energy landscape may have and how it might affect us

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

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

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Last year in this report I made a point of stressing that the government needed to ensure a stable policy environment to ensure inward investment into our energy infrastructure. The energy white paper should make it onto the statute books in the next 12 months and we are all getting to grips with regime change from the Renewable Obligation (RO) and its certificates, ROCs, to Contracts for Difference CfD's

These are massive changes to the way we buy energy and the way generators are encouraged to invest, but they are of little interest to the public at large, and while the government have labored the point of tariff proliferation, complexity and consumer confusion, they have done little to simplify the supply side and have possibly made the system more difficult to understand for 'the Man on the Clapham Omnibus'. As a result there is a danger that they have provided no basis on which the public can properly engage with the market we will operate in and provided sufficient complexity to cause mistrust in the media and consequently the public's perception.

However, CfD's are likely to create a climate where if we achieve the investment, we will see energy security and homegrown renewables proliferate and our energy prices stabilize over time.

There is a great deal of debate about how much of the cost of the scheme will translate into savings for consumers, but the fact is without a policy that encourages investment, costs will rise for an aging infrastructure and we would remain at the mercy of international commodity markets and the whim of regimes in unstable parts of the world.

Numerous initiatives have been tried in what is a complex industry to try to override those basic factors.

Collective switching was one such initiative championed by DECC. We said last year that collective switching of itself, would not bring prices down and the appetite for such schemes seems to have disappeared, we didn't participate in any of them and we seem to have been vindicated. There is a real price for energy and there are no economies of scale in the collective switching model. The answer is to tackle the root causes of commodity prices and transmission costs, which in turn tackle energy security which as an island nation we should have at the heart of any energy policy. The hope is that CfD's will deliver this.

All that will happen in the background for consumers but what will affect them, and they will see, will be the implementation of Ofgem's Retail Market Review (RMR). Ofgem wants to bring some rules and order to what it describes as a confusing and complex market for consumers.

The RMR has kept our regulatory team in documents and dialogue all year. The market is deemed to be confusing, complex and unfair to consumers and Ofgem are putting in place rules and regulations to stop this. All laudable aims and objectives but there are some elements that we believe will have unintended consequences.

We have always held out transparency as a key element of our offer and welcome anything that makes the market and its participants more open and honest. However, in the process of trying to achieve this, some hard and fast rules have been proposed in the consultation which while dealing with the concerns Ofgem have, affect our own business in the exact opposite way.

We remain in dialogue with Ofgem over a number of our practices, which fall inside their changes, but this is an ongoing process and we will continue to engage with them until the proposals become statute.

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

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

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Our Feed in Tariff (FiT) business continues to grow despite the solar industry's cries that reducing the overgenerous initial tariffs would kill the industry. The returns are still there as a result of falling installation costs. What has changed however is the cost to us of administering the scheme. In its haste to cut the cost of the programme, the government has reduced the administration fees while increasing our costs by introducing mandatory meter reading. Mandatory meter readings are of course a very sensible precaution against fraud, and something the industry knows a bit about, on the non-FiT side of the business, licenced meter readers have rights of access, and meters are installed in locations with ease of reading in mind, so it would have been nice if the outgoing Labour government in their haste to implement the scheme had given a little more thought to it at the time.

There are a number of issues including those mentioned above that are causing the administrators of the scheme - us and our industry counterparts - both costs and difficulties and at present we have no way of recovering most of these. We are happy to support the scheme, it does after all work towards a decentralised green and renewable future, and we will continue to do so, I mention it here as it has an effect on our margins and as a balance to much of the media attention that suggests (the industry overcharges and) that green taxes are punitive to the consumer.

The branding exercise we undertook last year came to fruition and last year's annual report was the first manifestation of our new look and feel. That along with our website and other marketing collateral has been well received and our communications strategy has centered on a theme of 'We're not worthy'. This has just won us a Green Apple Award.

Last year as we passed ten years, I observed how the green market had developed and our new branding reflects the changes to the green and environmental marketplace.

Social and environmental responsibility is no longer the sole domain of the right-on hippies and the extreme eco-evangelists. We all understand that we need to play our part, no matter how small, organic foods, more frugal transport, kerb-side recycling, purchasing home grown produce, turning the lights off when you're not in a room, just look around and you'll find most of us are doing something and some of us a lot more!

So the fact we want to encourage more people to demand sustainable energy has to recognise that we need to be seen as an electricity supplier that happens to be green rather than a warrior green electricity supplier. We haven't changed our view on what is green, we haven't relaxed the standards on which we buy our energy, we just want to appeal to a wider demographic and the signs are that we are doing just that. We will continue to review our progress and make changes to our offerings in line with our core values but in a way that recognises the changing consumer landscape.

We also extended our social networking reach last year using both Facebook and Twitter to broaden our appeal to a wider audience and we also use Pinterest and other online media, we even have our own humble YouTube channel.

In a departure from our normal activities and perhaps in response to the amazing success of the Olympic Games, we decided to use modest sponsorship to reach suitably like-minded groups and during the year we have sponsored two sports that have synergies with our business and values.

We sponsored an Ocean Row and a Women's Road Racing Cycling team. We found it slightly ironic that both sports use carbon equipment but no fuel other than the human kind.

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

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

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The rowing was an attempt to cross the Atlantic. The 8-man crew was attempting to beat the current 32-day record but their real goal was to achieve it in less than 30 days, a psychological time barrier in rather the same way as the 4-minute mile barrier was until Roger Bannister broke it in 1954 and then a number of athletes broke it in quick succession. They set off on 17th January at 19 00, when a suitable weather window offered itself arriving on 22 February at 07 51. For those that can do the maths you'll have worked out that they need to plan to try again another day but if you are interested and want to know more the website is [www.oceanrows.com](http://www.oceanrows.com)

As well as trying to break a world record they were also assisting university research into sleep deprivation and performance, so there was another scientific angle to their madness!

Our Cycling association saw us team up with CTC to sponsor a Women's Road Racing cycling team

CTC, [www.ctc.org.uk](http://www.ctc.org.uk) is a charity whose purpose is to promote, inspire and protect cycling and cyclists

They created a women's cycling team to promote their work and raise awareness and we have taken the lead sponsor's role. This is for the entire season and the team was launched on 19th January 2013 at the cycle show at Excel

Both sports are carbon free - well apart from the frames on the bikes and the carbon Kevlar construction of the boat - but in this context carbon is a high tech material not a polluting gas

Both Cycling and Rowing fit well with green energy, after all the athletes are propelled by the greenest energy I can think of- human energy- no fossil fuel or greenhouse gases there!

Sponsorship is a marketing departure for us but we are about so much more than just electricity. We are about making a difference, a contribution, and how better to do that than sponsor a sport

We are seeking to associate green energy as a company helping to improve and popularise sports that do minimal environmental harm (rather like our electricity) but bring pleasure, health and happiness to participants and followers, and by reaching our customers, prospects and associates and specifically CTC's membership through Facebook and Twitter, we can increase recognition of the brand and the company from a wider public

But also, on the motorised transport front, we continue to maintain our relationship with Source East the charging post operator for Eastern England

While electric cars are still very much in their infancy, we see this relationship as essential in maintaining a watching brief over this nascent market. Electric cars will proliferate but over the medium term and we want to ensure we understand what will ultimately be required. With Toyota, Renault and Nissan already offering mainstream products and BMW set to follow in the autumn supply may well push demand rather than the other way round. It's not going to happen overnight, but as an electricity supplier, we would be foolish to ignore its potential



**GREEN ENERGY (UK) PLC**

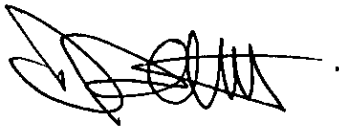
**Chief Executive Officer's statement**

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It has been another enjoyable, if tough, year and the business continues to hold fast to the values on which it was founded. Our customer service team continues to try to answer all queries without having to resort to transferring the customer to other departments, and by giving them the autonomy to make decisions we have ensured we maintain the customer at the heart of the business. We have once again increased the number of staff we employ to deliver the service we offer and I would once again like to thank them publicly for their efforts, dedication and good humour throughout the year.

But importantly I need to thank our customers and shareholders for their continued support.

Thank you all

A handwritten signature in black ink, appearing to read 'Douglas Stewart', with a stylized flourish at the end.

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

**4 September 2013**

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

### **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 APRIL 2013**

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The directors present their report and financial statements for the year ended 30 April 2013

#### **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 11

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 2012

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 2013 was 34 days (2012 - 28 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 2013**

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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

4 September 2013

## **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 2013 set out on pages 11 to 25. 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 7 - 8, 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 2013 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

5 September 2013

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

Silbury Court  
420 Silbury Boulevard  
Central Milton Keynes  
MK9 2AF

**GREEN ENERGY (UK) PLC****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 APRIL 2013**

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		<b>2013</b>	<b>2012</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>2</b>	9,066,511	8,138,576
<b>Cost of sales</b>		(6,930,578)	(6,176,052)
<b>Gross profit</b>		2,135,933	1,962,524
<b>Administrative expenses</b>		(1,671,892)	(1,509,608)
<b>Operating profit</b>	<b>3</b>	464,041	452,916
Other interest receivable and similar income	<b>4</b>	502	3,836
Interest payable and similar charges	<b>5</b>	(5,429)	(5,634)
<b>Profit on ordinary activities before taxation</b>		459,114	451,118
<b>Tax on profit on ordinary activities</b>	<b>6</b>	(113,635)	(76,889)
<b>Profit for the year</b>	<b>14</b>	345,479	374,229

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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**

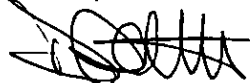
**AS AT 30 APRIL 2013**

	Notes	2013 £	£	2012 £	£
<b>Fixed assets</b>					
Tangible assets	7	382,539		398,261	
Investments	8	50,002		50,002	
		<u>432,541</u>		<u>448,263</u>	
<b>Current assets</b>					
Debtors	9	1,869,723		1,862,990	
Cash at bank and in hand		576,824		299,254	
		<u>2,446,547</u>		<u>2,162,244</u>	
<b>Creditors amounts falling due within one year</b>	10	<u>(1,430,466)</u>		<u>(1,492,029)</u>	
<b>Net current assets</b>		<u>1,016,081</u>		<u>670,215</u>	
<b>Total assets less current liabilities</b>		<u>1,448,622</u>		<u>1,118,478</u>	
<b>Creditors amounts falling due after more than one year</b>	11	<u>(85,535)</u>		<u>(100,870)</u>	
		<u>1,363,087</u>		<u>1,017,608</u>	
<b>Capital and reserves</b>					
Called up share capital	13	54,459		54,475	
Other reserves	14	585		569	
Profit and loss account	14	1,308,043		962,564	
<b>Shareholders' funds</b>	15	<u>1,363,087</u>		<u>1,017,608</u>	

Approved by the Board and authorised for issue on 4 September 2013



T J Smith  
Director



D Stewart  
Director

Company Registration No 04194006

**GREEN ENERGY (UK) PLC**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 30 APRIL 2013**

	£	2013 £	£	2012 £
<b>Net cash inflow from operating activities</b>		420,488		79,199
<b>Returns on investments and servicing of finance</b>				
Interest received	502		3,836	
Interest paid	(5,429)		(5,634)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(4,927)		(1,798)
<b>Taxation</b>		(89,446)		(96,889)
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible assets	(33,210)		(353,129)	
Payments to acquire investments	-		(2)	
<b>Net cash outflow for capital expenditure</b>		(33,210)		(353,131)
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		292,905		(372,619)
<b>Financing</b>				
Repayment of other long term loans	(15,335)		(521)	
<b>Net cash outflow from financing</b>		(15,335)		(521)
<b>Increase/(decrease) in cash in the year</b>		<u>277,570</u>		<u>(373,140)</u>



**GREEN ENERGY (UK) PLC**

**NOTES TO THE CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 30 APRIL 2013**

1	Reconciliation of operating profit to net cash inflow from operating activities	2013	2012
		£	£
	Operating profit	464,041	452,916
	Depreciation of tangible assets	48,932	25,779
	Increase in debtors	(6,733)	(661,600)
	(Decrease)/Increase in creditors within one year	(85,752)	262,104
	Net cash inflow from operating activities	420,488	79,199

2	Analysis of net funds	1 May 2012	Cash flow	Other non-cash changes	30 April 2013
		£	£	£	£
	Net cash				
	Cash at bank and in hand	299,254	277,570	-	576,824
	Bank deposits	-	-	-	-
	Debt				
	Debts falling due after one year	(100,870)	15,335	-	(85,535)
	Net funds	198,384	292,905	-	491,289

3	Reconciliation of net cash flow to movement in net funds	2013	2012
		£	£
	Increase/(decrease) in cash in the year	277,570	(373,140)
	Cash outflow from decrease in debt	15,335	491
	Movement in net funds in the year	292,905	(372,649)
	Opening net funds	198,384	571,033
	Closing net funds	491,289	198,384

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

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

**FOR THE YEAR ENDED 30 APRIL 2013**

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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 2013****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>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging		
Depreciation of tangible assets	48,932	25,779
Auditors' remuneration the audit of these financial statements	9,000	9,000
- Taxation	1,500	1,500
- Other services	10,866	11,757

<b>4 Investment income</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Bank interest	502	3,836
	502	3,836

<b>5 Interest payable</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Other interest	5,429	5,634

**GREEN ENERGY (UK) PLC****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2013**

<b>6</b>	<b>Taxation</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U K corporation tax	114,189	90,000
	Adjustment for prior years	(554)	(13,111)
	<b>Total current tax</b>	<b>113,635</b>	<b>76,889</b>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	459,114	451,118
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.92% (2012 - 25.83%)	109,820	116,524
	<b>Effects of</b>		
	Non deductible expenses	7,481	2,077
	Depreciation add back	11,704	6,659
	Capital allowances	(8,926)	(29,230)
	Adjustments to previous periods	(554)	(13,111)
	Margin relief	(2,615)	(5,630)
	Other tax adjustments	(3,275)	(400)
		<b>3,815</b>	<b>(39,635)</b>
	<b>Current tax charge for the year</b>	<b>113,635</b>	<b>76,889</b>

**GREEN ENERGY (UK) PLC****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2013****7 Tangible fixed assets**

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 May 2012	320,000	92,243	41,022	453,265
Additions	-	33,210	-	33,210
At 30 April 2013	320,000	125,453	41,022	486,475
<b>Depreciation</b>				
At 1 May 2012	4,267	46,180	4,558	55,005
Charge for the year	12,800	22,457	13,674	48,931
At 30 April 2013	17,067	68,637	18,232	103,936
<b>Net book value</b>				
At 30 April 2013	302,933	56,816	22,790	382,539
At 30 April 2012	315,733	46,063	36,465	398,261

**GREEN ENERGY (UK) PLC****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2013****8 Fixed asset investments**

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1 May 2012 & at 30 April 2013	50,002
<b>Net book value</b>	
At 30 April 2013	50,002
At 30 April 2012	50,002

**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 2013**

<b>9 Debtors</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Trade debtors	581,484	455,333
Other debtors	1,106,002	995,957
Prepayments and accrued income	182,237	411,700
	<u>1,869,723</u>	<u>1,862,990</u>

<b>10 Creditors, amounts falling due within one year</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Trade creditors	784,159	865,555
Corporation tax	114,189	90,000
Other taxes and social security costs	40,203	37,272
Accruals and deferred income	491,915	499,202
	<u>1,430,466</u>	<u>1,492,029</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>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Other loans	<u>85,535</u>	<u>100,870</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	<u>85,535</u>	<u>100,870</u>
	<u>85,535</u>	<u>100,870</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	<u>85,535</u>	<u>100,870</u>

The other loan of £85,535 (2012 100,870) 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 2013***

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

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Contributions payable by the company for the year	<u>41,711</u>	<u>37,227</u>



**GREEN ENERGY (UK) PLC****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2013**

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<b>13 Share capital</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
'A' Ordinary shares of £0 001 each	53,784	53,701
'B' Ordinary shares of £0 001 each	175	274
'D' Ordinary shares of £0 001 each	500	500
	<hr/>	<hr/>
	54,459	54,475
	<hr/>	<hr/>

During the year 400 (2012 2,400) 'A' Ordinary shares of £0 001 each, 800 (2012 2,000) 'B' Ordinary shares of £0 001 each and nil (2012 nil) 'D' Ordinary shares of £0 001 each were allotted and fully paid at par for cash consideration 82,900 (2012 73,200) 'B' Ordinary shares were converted into 'A' Ordinary shares 17,200 (2012 34,800) '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 customers 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 'C' 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.

If the customer does not remain a customer of the company for three consecutive calendar years after the date of allotment, 'D' Ordinary shares will be redeemed, at the option of the company, for a total of £0 01 for the customers entire shareholding.

**GREEN ENERGY (UK) PLC**

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

**FOR THE YEAR ENDED 30 APRIL 2013**

**14 Statement of movements on reserves**

	Other reserves (see below) £	Profit and loss account £
Balance at 1 May 2012	569	962,564
Profit for the year	-	345,479
Movement during the year	16	-
	<u>585</u>	<u>-</u>
Balance at 30 April 2013	<u>585</u>	<u>1,308,043</u>

**Other reserves**

**Capital redemption reserve**

Balance at 1 May 2012	569
Capital redemption reserve increase	16

Balance at 30 April 2013

585

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

	2013 £	2012 £
Profit for the financial year	345,479	374,229
Proceeds from issue of shares	-	(30)
	<u>345,479</u>	<u>374,199</u>
Net addition to shareholders' funds	345,479	374,199
Opening shareholders' funds	1,017,608	643,409
	<u>1,363,087</u>	<u>1,017,608</u>
Closing shareholders' funds	<u>1,363,087</u>	<u>1,017,608</u>

**GREEN ENERGY (UK) PLC****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2013****16 Financial commitments**

At 30 April 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 April 2014

	<b>Land and buildings</b>	
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Operating leases which expire		
In over five years	<u>25,000</u>	<u>18,500</u>

The Company is committed to purchase electric power under various short and long-term electricity supply contracts. At 30 April 2013 the estimated annual commitment for the purchase of electricity under all these contracts totalled £1.6 million (2012: £1.6 million)

**17 Directors' remuneration**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	365,230	369,344
Company pension contributions to defined contribution schemes	<u>29,400</u>	<u>29,400</u>
	<u>394,630</u>	<u>398,744</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2012: 2)

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

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

**GREEN ENERGY (UK) PLC**

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

**FOR THE YEAR ENDED 30 APRIL 2013**

**18 Employees**

**Number of employees**

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

	<b>2013</b>	<b>2012</b>
	<b>Number</b>	<b>Number</b>
Number of employees	<u>21</u>	<u>19</u>

**Employment costs**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Wages and salaries	851,515	821,117
Social security costs	95,445	95,220
Other pension costs	41,711	37,227
	<u>988,671</u>	<u>953,564</u>

**19 Control**

The company is controlled by the board of directors

**20 Related party transactions**

Included within Creditors falling due after more than one year is £85,535 (2012 - £100,870) 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 £50,300 (2012 £34,900) 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 (2012 £25,000) for the office rent. No amounts were outstanding at the balance sheet date