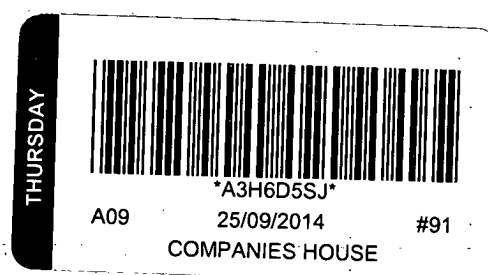


Company Registration No. 04194006 (England and Wales)

**GREEN ENERGY (UK) PLC**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 30 APRIL 2014**



# **GREEN ENERGY (UK) PLC**

## **COMPANY INFORMATION**

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**Directors**

D Stewart  
Sir Peter Thompson  
T J Smith

**Secretary**

Aldbury Associates Limited

**Company number**

04194006

**Registered office**

Black Swan House  
23 Baldock Street  
Ware  
Hertfordshire  
SG12 9DH

**Auditors**

Mercer & Hole  
Silbury Court  
420 Silbury Boulevard  
Central Milton Keynes  
Buckinghamshire  
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 £10.7M, last year £9.06M

Profit up 9.1% to £501K, last year £459K

Customer numbers up by 37%

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

That is a good set of results in a challenging economy and an industry that has had its fair share of coverage, not all of it good, over the last year.

We have grown customer numbers partly through product innovation and the aforementioned adverse press coverage. The negative sentiment towards the Big 6 has allowed us, along with the other independent players, to benefit from a short term increase in switching.

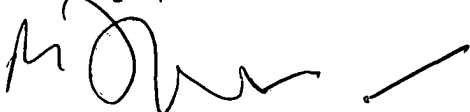
Our prices remained static throughout the period under review so there is no price inflation in any of the numbers; all of our growth is like for like which is all the more commendable in the face of stiff competition.

Ofgem implemented the measures contained in its Retail Market Review (RMR), which is covered in more detail in the Chief Executive Officer's report. While we support the aims of transparency and openness that the RMR set out to achieve, elements of our offering were affected.

Our share scheme, a mechanism designed to increase customer engagement, was a casualty and despite protestations by us about unintended consequence we have only managed to secure a temporary derogation for the scheme. I trust that we will secure confirmation from them in the next year that the aims of our scheme to give customers a voice and put them at the heart of our business is exactly what they have been trying to achieve.

I believe that making customer shareholders ensures that our business values, ethics and operating practices always put the customer first. Our focus has always been about delivering fair value coupled with outstanding service; and I continue to believe it remains the right way to build a solid and secure supply business.

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



Sir Peter Thompson

Chairman

12/09/2014

# GREEN ENERGY (UK) PLC

## CHIEF EXECUTIVE OFFICER'S STATEMENT

### FOR THE YEAR ENDED 30 APRIL 2014

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It has been an interesting and busy year which has seen volumes grow, staff numbers increase and product offerings expand; but we have continued to try to keep things as simple as possible in line with our core values and strategy.

We started the financial year renaming our tariffs to facilitate the launch in July of a new 'no standing charge tariff' aimed at making the offering simpler. We rebranded our existing tariffs to offer a trio called Tap, Still and Sparkling; the water analogy seemed appropriate as, like water, electricity flows to the nearest point of relief.

Tap was aimed pretty much at small users, but it was an attempt to make billing simpler following criticism that the industry was too complicated (and an offer by EDF that they would drop standing charges if the rest of the industry did, we saw the opportunity to demonstrate the speed and flexibility that being small affords us and do it anyway); so Tap provides one simple calculation to work out the bill: unit rate multiplied by consumption. We couldn't do anything about having to calculate the VAT, the government see to that! The tariff rebranding was well received and Tap has been a success in the terms we sought.

As pointed out in the Chairman's statement, our business continued to grow without the need for advertising and above the line promotion. Our customer supply points grew by some 37% in the year to April. There were two main drivers for this. The first was the aforementioned implementation of a new naming strategy for our tariffs to coincide with the introduction of a new tariff called Tap and the second was the increase in switching activity as a result of the industry being in the news. We also think our long term strategy of looking after our customers and growing by recommendation continued to reap rewards.

Our staff continue to be our most important asset after our customers and we have invested in them this year. We have improved the management structure and recruited capable individuals to deliver what we believe to be some of the best customer service in the industry.

It is therefore fitting that this year their efforts were acknowledged when we won Energy Team of the Year at the Utility & Telecoms Awards. It's not the first time we have won an award and it is gratifying for the staff to be recognised in this way.

***Our customers remain central to our business strategy and we have listened and acted whenever we can to ideas and concerns.***

***The business and its website are 'living' things and we are constantly making small changes as a result of the suggestions we get due to the strong two way dialogue we have.***

***Getting feedback of this nature suggests that our customers are indeed engaged with us and want to see us do the right things. It is always gratifying to receive friendly and complimentary comments and these are always shared with the staff.***

However, the really big story for us this year has been Gas; and a prime example of listening to our customers. While we didn't launch Gas in the year under review, many of us were involved in the preparations to launch a dual-fuel tariff within our portfolio.

For a number of years we have been asked about dual-fuel and supplying Gas, both in correspondence and phone contact through customer service and as a board, specifically at Question and Answer time at AGMs. So, last year we decided to do something about it and we polled our customers with the AGM invite asking them 'Should we supply Gas?'

We had a huge response with an overwhelming 82% saying yes – the remainder (bar 3 customers) were off the grid and weren't actually interested in Gas. This has meant a lot of work to prepare to supply Gas to our existing and potential customers and we have seen our costs grow, both staff costs and industry costs, without any revenue and profit contribution, as we gear up. We have worked through these and we are now in the process of launching a dual-fuel product to our existing customers. We will report next time on progress.

The rebranding has continued to pay dividends as evidenced by the growth in customer numbers, and the revenues have been used to cover the increasing costs of the growing business.

# GREEN ENERGY (UK) PLC

## CHIEF EXECUTIVE OFFICER'S STATEMENT

**FOR THE YEAR ENDED 30 APRIL 2014**

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***Our marketing remains low key but continues to allow us to grow at a pace that doesn't put the business at risk.***

It has also been a year of huge political, regulatory and media activity and sadly much rhetoric. Our industry has barely been out of the headlines and they have been none too flattering to the larger players.

In September, Ed Miliband told us that Britain 'could do better than this' and a cornerstone of that strategy would see a Labour government, if elected, imposing a price freeze on the industry to help the hardworking families of Britain.

In addition to the Opposition's price freeze, we have been threatened by the unintended consequences of the actions of DECC and Ofgem this year and have been working hard to try to get our position understood and acknowledged there as well. It's been an exhausting year in terms of regulation, with Ofgem announcing the final version of their Retail Market Revenue, as referenced by the Chairman in his statement.

As we feared it was introduced this year with all the attendant unintended consequences we expected from a one-size-fits-all piece of regulation! It outlawed our loyalty bonus and our share scheme – wonderful! Regulation designed to make it easier for consumers to engage with the market outlaws the one company that seeks to engage with its consumers through its ownership model! True regulatory brilliance!

Only through eleventh hour negotiations, did we achieve a temporary derogation on the share scheme. A derogation allows us to continue with the share scheme, having been declared an exception, but it is clear that in their haste to sanitise the energy markets, and make things clearer for the consumer, they hadn't thought through quite how much innovation the small suppliers were responsible for. At a personal level, I don't really see much simplicity, just more regulation.

The loyalty bonus was not for negotiation. Apparently it's unfair, confusing and you don't understand it! In any event loyalty isn't something DECC or Ofgem want to see in the energy industry; in their world, everyone should be compelled to switch.

Don't get me wrong, without switching our customers wouldn't be our customers, and our business would not exist. However the suggestion that switching is the answer to rising prices is a political sleight of hand.

The biggest drivers of energy prices are wholesale energy 46% and delivery costs 24%. Of the bill, 70% is the commodity and getting it to your door! Add to that the other costs we have no control over; regulatory 10% and tax 5%, and you'll see there is very little elbowroom, so switching itself cannot achieve much downward pressure on prices.

If we accept the costs of distribution and infrastructure are fair and unavoidable, what we need is cheaper wholesale energy prices. This can only be achieved if we are to the largest extent in control of it, as a nation, and generate it in an efficient and sustainable way. Sound familiar? Dealing with affordability in this way, also deals with energy security and sustainability, the so-called trilemma of Government and DECC.

### **Going forward**

We are in an election year, so going forward we see the political agenda having a significant influence on our market this coming year. There is, we are told, deep mistrust of the energy market; the Competition and Markets Authority (CMA) referral is a manifestation of this. Interestingly, we commissioned some research of our own this year with ComRes to gain a better insight into consumer wants and needs.

What it found was that over half of the nation trusted the Big 6. Now it's not my job to defend the Big 6, but equally we have always tried to maintain a pragmatic position where we look at the facts not the emotion. That trust referred to above may well be the type of trust that we have for our banks i.e. we might not love them but we're not motivated to change our bank account; or it might be that global brands have a comfort factor when you're dealing with something as important as energy. Whatever it is, two things are certain; consumer inertia remains a key hurdle for us; and it lends credence to the old adage – don't believe everything you read in the papers.

What the research also highlighted was that consumers wanted an energy company that listened, that provided good service and sent out simple bills; we have always strived to deliver all three.

# **GREEN ENERGY (UK) PLC**

## **CHIEF EXECUTIVE OFFICER'S STATEMENT**

***FOR THE YEAR ENDED 30 APRIL 2014***

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Latterly, we have been invited to participate in a challenger programme by the government. The Challenger Businesses Programme aims to identify and respond to the needs of businesses and help them to enter and grow in their target markets. With all the focus on energy this year it was no surprise that our market was identified and that the smaller suppliers were invited to be part of this programme and we have attended the first meeting. We will report back next year with the effects and results, if any, of this programme.

What we do predict is another tough year influenced by a lot of short term political opportunism in the hope of winning votes. So we will continue our strategy of delivering value with values and working hard to keep our service levels at the top of the pile. While we have spent some time in the corridors of power this year we are not so unrealistic as to believe we will get an easy ride and the things we want.

As a result we will keep our heads down and continue to strive to not only service, but please our customers, by providing bills that are easy to understand and a friendly voice on the end of the phone. It has worked well for us to date.

In terms of growth we will work on our gas portfolio and we have some initiatives that might broaden the reach of the company.

Whatever the political and media background noise, it's sure to be an interesting ride.

And with that it just leaves me to thank the staff for their efforts and good humour, attributes that this year were once again award winning, and our customers and shareholders for another year of continued support.

Thank you



**Douglas Stewart**  
**Chief Executive Officer**  
12/09/2014

# GREEN ENERGY (UK) PLC

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 APRIL 2014**

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The directors present the strategic report and financial statements for the year ended 30 April 2014.

### **Review of the business**

The company has continued to perform strongly throughout the year. Full details of the company's performance and future developments can be found in the Chief Executive Officer's Statement.

Highlights include:

- Growth of the company's core electricity customer base.
- Streamlining and simplification of tariffs
- Winning 'Energy Team of the Year' at the Utility & Telecoms Awards

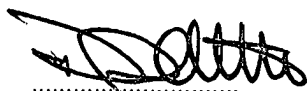
Turnover increased by 11.4% to £10.7m and profit before tax increased by 9.1% to £501k.

Principal risks and uncertainties facing the company are outlined below:

### ***Energy price volatility***

The company's turnover from energy sales may be affected by fluctuations in energy prices (e.g. the price of wholesale electricity) and the associated costs with buying in any volatile marketplace. This in turn may require the company to take pricing action and could result in a loss of customers if other energy providers with larger portfolios were better able to mitigate the increase and remain more competitive.

On behalf of the board



D Stewart

Director

12/09/2014



# GREEN ENERGY (UK) PLC

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 30 APRIL 2014**

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The directors present their report and financial statements for the year ended 30 April 2014.

### Principal activities

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.

### Research and development

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.

### Directors

The following directors have held office since 1 May 2013:

D Stewart  
Sir Peter Thompson  
T J Smith

### Financial instruments

#### Commodity price risk

The company's operations results in exposure to fluctuations in electricity prices. Management monitors electricity prices and analyses supply and demand volumes to manage exposure to this risk. The company has entered into forward contracts in order to mitigate some of its exposure to these fluctuations.

If the wholesale market moves significantly up or down, the price risk to the company will depend on a number of factors including the excess or deficiency of power being supplied by Renewable Power Purchase contracts in place at the time. The company may be required to pass on the price risk to customers. Retail prices can be amended with 30 days advance notification to customers. Management closely monitors wholesale market movements and assesses trends in order to take action when necessary.

#### Liquidity risk

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.

#### Credit risk

The company's exposure to credit risk arises from amounts due from customers. The company's policy in respect of credit risk is to require appropriate credit checks on potential customers and to provide for doubtful debts based on estimated irrecoverable amounts determined by reference to specific circumstances and past default experience. At the balance sheet date the directors have provided for all known specific doubtful debts and believe that there is no further credit risk.

### Auditors

In accordance with the company's articles, a resolution proposing that Mercer & Hole be reappointed as auditors of the company will be put at a General Meeting.

# GREEN ENERGY (UK) PLC

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2014**

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### Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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

12/09/2014

# **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 2014 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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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 Strategic Report and 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 FCA (Senior Statutory Auditor)  
for and on behalf of Mercer & Hole

22/9/2014

Chartered Accountants  
Statutory Auditor

Silbury Court  
420 Silbury Boulevard  
Central Milton Keynes  
Buckinghamshire  
MK9 2AF

# GREEN ENERGY (UK) PLC

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2014

	Notes	2014 £	2013 £
Turnover	2	10,718,310	9,066,511
Cost of sales		(8,274,838)	(6,930,578)
<b>Gross profit</b>		<b>2,443,472</b>	<b>2,135,933</b>
Administrative expenses		(1,938,431)	(1,671,893)
<b>Operating profit</b>	3	<b>505,041</b>	<b>464,040</b>
Other interest receivable and similar income	4	30	502
Interest payable and similar charges	5	(3,681)	(5,429)
<b>Profit on ordinary activities before taxation</b>		<b>501,390</b>	<b>459,113</b>
Tax on profit on ordinary activities	6	(121,415)	(113,635)
<b>Profit for the year</b>	15	<b>379,975</b>	<b>345,478</b>

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 2014

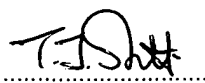
	Notes	2014 £	2013 £
<b>Fixed assets</b>			
Tangible assets	7	348,186	382,539
Investments	8	50,003	50,002
		<u>398,189</u>	<u>432,541</u>
<b>Current assets</b>			
Debtors	9	2,448,198	1,869,722
Cash at bank and in hand		129,678	576,824
		<u>2,577,876</u>	<u>2,446,546</u>
<b>Creditors: amounts falling due within one year</b>	10	(1,214,596)	(1,430,466)
<b>Net current assets</b>		<u>1,363,280</u>	<u>1,016,080</u>
<b>Total assets less current liabilities</b>		<u>1,761,469</u>	<u>1,448,621</u>
<b>Creditors: amounts falling due after more than one year</b>	11	-	(85,535)
<b>Provisions for liabilities</b>	12	(18,206)	-
		<u>1,743,263</u>	<u>1,363,086</u>
<b>Capital and reserves</b>			
Called up share capital	14	54,661	54,459
Other reserves	15	585	585
Profit and loss account	15	1,688,017	1,308,042
<b>Shareholders' funds</b>	16	<u>1,743,263</u>	<u>1,363,086</u>

Approved by the Board and authorised for issue on

12th September 2014



D Stewart  
Director



T J Smith  
Director

Company Registration No. 04194006

# GREEN ENERGY (UK) PLC

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2014

	£	2014 £	£	2013 £
<b>Net cash (outflow)/inflow from operating activities</b>		(228,109)		420,488
<b>Returns on investments and servicing of finance</b>				
Interest received	30		502	
Interest paid	(3,681)		(5,429)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(3,651)		(4,927)
<b>Taxation</b>		(113,346)		(89,446)
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible assets	(16,706)		(33,210)	
Payments to acquire investments	(1)		-	
<b>Net cash outflow for capital expenditure</b>		(16,707)		(33,210)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(361,813)		292,905
<b>Financing</b>				
Issue of ordinary share capital	202		-	
Repayment of other long term loans	(85,535)		(15,335)	
<b>Net cash outflow from financing</b>		(85,333)		(15,319)
<b>(Decrease)/increase in cash in the year</b>		(447,146)		277,570

# GREEN ENERGY (UK) PLC

## NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2014

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities		2014	2013	
			£	£	
	Operating profit		505,041	464,040	
	Depreciation of tangible assets		51,059	48,932	
	Increase in debtors		(578,476)	(6,732)	
	Decrease in creditors within one year		(205,733)	(85,752)	
	Net cash (outflow)/inflow from operating activities		(228,109)	420,488	
2	Analysis of net funds	1 May 2013	Cash flow	Other non-cash changes	30 April 2014
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	576,824	(447,146)	-	129,678
	Bank deposits	-	-	-	-
	Debt:				
	Debts falling due after one year	(85,535)	85,535	-	-
	Net funds	491,289	(361,611)	-	129,678
3	Reconciliation of net cash flow to movement in net funds		2014	2013	
			£	£	
	(Decrease)/increase in cash in the year		(447,146)	277,570	
	Cash outflow from decrease in debt		85,535	15,335	
	Movement in net funds in the year		(361,611)	292,905	
	Opening net funds		491,289	198,384	
	Closing net funds		129,678	491,289	



# GREEN ENERGY (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2014

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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

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:

Leasehold improvements	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 2014

### 2 Turnover

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

### 3 Operating profit

	2014 £	2013 £
Operating profit is stated after charging:		
Depreciation of tangible assets	51,059	48,932

#### Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts	9,000	9,000
Other assurance services	12,000	10,000
Taxation compliance	1,500	1,500
Other	2,851	866
	25,351	21,366

### 4 Investment income

	2014 £	2013 £
Bank interest	30	502
	30	502

### 5 Interest payable

	2014 £	2013 £
Other interest	3,681	5,429

# GREEN ENERGY (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2014

6	Taxation	2014 £	2013 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	103,209	114,189
	Adjustment for prior years	-	(554)
	<b>Total current tax</b>	<u>103,209</u>	<u>113,635</u>
	<b>Deferred tax</b>		
	Deferred tax charge credit current year	18,206	-
		<u>121,415</u>	<u>113,635</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>501,390</u>	<u>459,113</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 22.84% (2013 - 23.92%)	<u>114,517</u>	<u>109,820</u>
	Effects of:		
	Non deductible expenses	-	7,481
	Depreciation add back	11,662	11,704
	Capital allowances	(5,758)	(8,926)
	Adjustments to previous periods	-	(554)
	Margin relief	(2,049)	(2,615)
	Other tax adjustments	(15,163)	(3,275)
		<u>(11,308)</u>	<u>3,815</u>
	<b>Current tax charge for the year</b>	<u>103,209</u>	<u>113,635</u>

# GREEN ENERGY (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2014

### 7 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 May 2013	320,000	125,453	41,022	486,475
Additions	-	16,706	-	16,706
At 30 April 2014	320,000	142,159	41,022	503,181
<b>Depreciation</b>				
At 1 May 2013	17,067	68,637	18,232	103,936
Charge for the year	12,800	24,585	13,674	51,059
At 30 April 2014	29,867	93,222	31,906	154,995
<b>Net book value</b>				
At 30 April 2014	290,133	48,937	9,116	348,186
At 30 April 2013	302,933	56,816	22,790	382,539

# GREEN ENERGY (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2014

### 8 Fixed asset investments

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1 May 2013	50,002
Additions	1
At 30 April 2014	50,003
<b>Net book value</b>	
At 30 April 2014	50,003
At 30 April 2013	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	Class	Shares held %
<b>Subsidiary undertakings</b>			
Garsington Energy Limited	England and Wales	Ordinary	100.00
Green Energy Electricity Limited	England and Wales	Ordinary	100.00
Green Energy Limited	England and Wales	Ordinary	100.00
Green Energy Gas Limited	England and Wales	Ordinary	100.00

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 2014 £	Profit/(loss) for the year 2014 £
	<b>Principal activity</b>		
Garsington Energy Limited	Dormant	1	-
Green Energy Electricity Limited	Dormant	1	-
Green Energy Limited	Dormant	1	-
Green Energy Gas Limited	Dormant	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 2014

9 Debtors	2014 £	2013 £
Trade debtors	665,479	581,484
Other debtors	453,285	159,837
Prepayments and accrued income	1,329,434	1,128,401
	<u>2,448,198</u>	<u>1,869,722</u>

10 Creditors: amounts falling due within one year	2014 £	2013 £
Trade creditors	845,231	784,159
Corporation tax	104,052	114,189
Other taxes and social security costs	45,282	40,203
Other creditors	2,701	-
Accruals and deferred income	217,330	491,915
	<u>1,214,596</u>	<u>1,430,466</u>

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

11 Creditors: amounts falling due after more than one year	2014 £	2013 £
Other loans	-	85,535
	<u>-</u>	<u>85,535</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	-	85,535
	<u>-</u>	<u>85,535</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	-	85,535
	<u>-</u>	<u>85,535</u>

The loan was wholly repaid in the year.

# GREEN ENERGY (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2014

### 12 Provisions for liabilities

	Deferred tax liability £
Profit and loss account	18,206
Balance at 30 April 2014	<u>18,206</u>

The deferred tax liability is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	<u>18,206</u>	<u>-</u>

### 13 Pension and other post-retirement benefit commitments

#### Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2014 £	2013 £
Contributions payable by the company for the year	<u>41,935</u>	<u>41,711</u>

# GREEN ENERGY (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2014

14 Share capital	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
53,956,000 'A' Ordinary shares of p each	53,956	53,784
5,000 'B' Ordinary shares of p each	5	175
700,000 'D' Ordinary shares of p each	700	500
	<u>54,661</u>	<u>54,459</u>

During the year 800 (2013: 400) 'A' Ordinary shares of £0.001 each, 800 (2013: 800) 'B' Ordinary shares of £0.001 each and 200,000 (2013: nil) 'D' Ordinary shares of £0.001 each were allotted and fully paid at par for cash consideration. 170,800 (2013: 82,900) 'B' Ordinary shares were converted into 'A' Ordinary shares. nil (2013: 17,200) '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 2014

### 15 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 May 2013	585	1,308,042
Profit for the year	-	379,975
Balance at 30 April 2014	585	1,688,017
<b>Other reserves</b>		
<b>Capital redemption reserve</b>		
Balance at 1 May 2013 & at 30 April 2014	585	

### 16 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the financial year	379,975	345,478
Proceeds from issue of shares	202	-
Movements on other reserves	-	16
Net addition to shareholders' funds	380,177	345,494
Opening shareholders' funds	1,363,086	1,017,592
Closing shareholders' funds	1,743,263	1,363,086

### 17 Financial commitments

At 30 April 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 April 2015:

	Land and buildings 2014 £	2013 £
Operating leases which expire:		
In over five years	25,000	25,000

The Company is committed to purchase electric power under various short and long-term electricity supply contracts. At 30 April 2014 the estimated annual commitment for the purchase of electricity under all these contracts totalled £1.8 million (2013: £1.6 million).

# GREEN ENERGY (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2014

18 Directors' remuneration	2014 £	2013 £
Remuneration for qualifying services	352,421	365,230
Company pension contributions to defined contribution schemes	29,400	29,400
	<u>381,821</u>	<u>394,630</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2013 - 2).

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

Remuneration for qualifying services	181,880	181,772
Company pension contributions to defined contribution schemes	16,200	16,200
	<u>198,080</u>	<u>197,972</u>

## 19 Employees

### Number of employees

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

	2014 Number	2013 Number
Number of employees	<u>24</u>	<u>21</u>

### Employment costs

	2014 £	2013 £
Wages and salaries	972,925	851,515
Social security costs	108,107	95,445
Other pension costs	41,935	41,711
	<u>1,122,967</u>	<u>988,671</u>

# **GREEN ENERGY (UK) PLC**

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

**FOR THE YEAR ENDED 30 APRIL 2014**

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### **20 Related party relationships and transactions**

#### **Other transactions**

Included within Creditors falling due after more than one year is £nil (2013 - £85,535) 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. The loan was repaid during the year.

During the year, Douglas Stewart Ventures Limited, a company in which Douglas Stewart and Tim Smith are directors, recharged the company £83,810 (2013: £50,300) 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 (2013: £25,000) for the office rent. No amounts were outstanding at the balance sheet date.

During the year, Red Fish Systems Limited, a company in which Tim Smith is a director, made sales of £101,951 to the company. No amounts were outstanding at the balance sheet date.