

Company Registration No. 04194006 (England and Wales)

GREEN ENERGY (UK) PLC
ANNUAL REPORT
FOR THE YEAR ENDED 30 APRIL 2015

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COMPANIES HOUSE

GREEN ENERGY (UK) PLC

COMPANY INFORMATION

Directors

D Stewart
Sir Peter Thompson
T J Smith
C Crossley Cooke (Appointed 27 October 2014)

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

GREEN ENERGY (UK) PLC

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GREEN ENERGY (UK) PLC

Chairman's statement

SHARING OUR SUCCESS

Highlights

Turnover up 20.6% to £12.9M, last year £10.7M

Profit up 1.8% to £510K, last year £501K

Customer numbers up by 28%

Launch of Gas

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 and turnover.

We have continued to grow customer numbers by maintaining the transparency of our offering and ensuring we deliver green energy. Whilst there continues to be adverse press coverage for the industry as a whole we have stuck steadfastly to our ethics and fair pricing policy and believe this has been repaid through the continued growth in customer numbers.

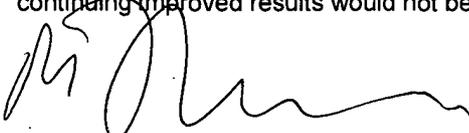
During the year we entered the gas market following a positive vote by our customer shareholders to expand our offering. We have seen a steady increase in dual fuel customers across the year and continue to see month on month growth.

It has become clear that the efforts by Ofgem through the Retail Market Review to improve the industry have in fact made it more opaque and complex. We trust that common sense will lead to its repeal in the next year and the much sought competition in the market can continue to flourish.

We have become very aware that trust is an industry wide concern and we wanted to repay the trust our customers have put in us by being fully open and transparent with them. Therefore we have sought to continue our customer engagement and given all of our customer's online access to their accounts including all of the notes and correspondence with them. We believe we are the only energy supplier giving customers real transparency.

Our share scheme still remains subject to a temporary derogation and we are pushing hard to bring this to a full resolution so that the way forward can be clear. I had hoped that Ofgem could have made a decision to support customer engagement, sadly as I write this we are still waiting for a decision. My personal belief is that making customers shareholders remains central to our business values, ethics and operating practices to always put the customer first.

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

22/9/15.....

GREEN ENERGY (UK) PLC

CHIEF EXECUTIVE OFFICER'S STATEMENT

FOR THE YEAR ENDED 30 APRIL 2015

Last year we predicted another tough year influenced by a lot of short term political opportunism – while that wasn't exactly a difficult thing to predict it definitely came true! Energy was a political football throughout the year as politicians tried to persuade the electorate that their view on heat and light should get them into Downing Street!

So it's been a year of political and media interest, which we had hoped would subside a little, now the election is over. I say 'had' because the government's recent announcements on green initiatives and the levy control framework are signposting the likely landscape for the next five years, but more of that later.

We have continued to grow customer numbers at a steady rate that doesn't put the business or our service levels at risk, and we have continued in our bid to keep the business simple, and uphold our values.

The year saw us introduce Gas into the portfolio following requests from our customers. It was delayed for a number of system and logistical reasons, but we introduced it midway through the year and our customer portfolio has been growing steadily.

One of the things we did to demonstrate that our attitude to Gas was no different to Electricity was to implement our fair pricing policy in December last year when we reduced gas prices by 10% in response to falling market prices. We did this ahead of the winter months so that our customers got the full benefit of the reduction. This was in advance of any of the major players who came under fire after the turn of the year, with British Gas, for example, not reducing prices until August some eight months later.

The introduction of Gas into the portfolio provided an opportunity to review our systems and to invest in internal processes and data storage as well as staff and IT to provide better, quicker information to front line staff dealing with customers. This has ensured our customer service team remains free to speak with customers. We have also introduced more resource to ensure we can continue to provide the same quality of service to our commercial customers

Our AGM is a significant touchpoint with our customers where we can not only respond directly to questions but also canvass opinions through the invitation. Transparency is an important element of our offering and we were asked if it could be improved. The overwhelming support expressed in a poll last year means that during the year we introduced the ability for each customer to see their account details including the comments on their account through their personal online area. It not only provides the customer with the same information our staff have to hand but it is a demonstrable expression of trust, a characteristic that the industry is roundly criticised for lacking.

So as each year passes we continue to find ways to keep our customers at the heart of the business.

At a community level we have maintained our partnership with Electric Corby, a Community Interest Company that is seeking to 'green up' their small part of England with a number of energy initiatives. We have been involved with them for a while now and as with all things green there is a level of inertia that has to be overcome to get the ball rolling.

And speaking of inertia a number of generators came on line during the year under review having been in the pipeline for some time. One of our existing generators have added turbines to their CHP portfolio and we have a number of Anaerobic Digestion sites that have started producing using Cow****, well, using what comes out of the back of cow, you know what I mean. So we now provide electricity from pigs and cows back ends.

The look of the industry has changed considerably this year with a number of new entrants.

It has become a very busy marketplace and far from the simplified market that Ofgem envisaged as a result of the Retail Market Review, we now have an extremely busy one, where instead of the volume of the Big 6's tariffs being confusing, it's the sheer number of tariffs on offer by an expanded supplier base that serves to confuse! Not quite what the regulator set out to achieve, but actually healthy competition.

Intervention has served to stifle innovation, not make things simpler and the very real costs of such intervention are filtering through to Energy suppliers. Fortunately we have managed to absorb these additional costs as falling wholesale prices which have allowed us, and the industry as a whole, to offset one against the other to provide price stability to customers.

GREEN ENERGY (UK) PLC

CHIEF EXECUTIVE OFFICER'S STATEMENT

FOR THE YEAR ENDED 30 APRIL 2015

There are indications that Ofgem will move towards principal based regulation but there are no cracks in the Retail Market Review armour yet – we will watch that space with interest.

We explained last year that the Retail Market Review effectively outlawed our share scheme since it is a breach of a licence condition brought in under that piece of regulation – ‘a one size fits all piece of regulation’ I think I referred to it as! We sought and obtained a derogation but it expires in January 2016. We feel strongly about it, but we thought we’d ask our shareholder customers about it before making overtures to make the derogation permanent. It seems our customers feel as strongly as we do about it with 67.9% wanting us to campaign to keep the share scheme. This hasn’t held much sway with Ofgem so far despite being provided with the survey results. I had thought it would be an open and shut case given the support from the very people Ofgem are set up to protect, ‘The Customer’ but as I write this I am still awaiting the outcome of Ofgem’s ‘consideration’.

The industry was finally referred to the Competition and Markets Authority (CMA) in June 2014 in a bid to re-establish trust and that is still ongoing. The interim finding and remedies are a disappointment to us and we have submitted a high level response rather than a detailed one. The obsession with switching has ‘polluted’ the CMA, who believe people should be forced to switch. On a personal level I find that kind of nanny state thinking insulting to the public. In no other industry do we insist consumers act in a certain way, so why energy?

I mentioned last year the threat posed, if elected, of Labour’s price freeze, to us as a small supplier. While the election was not strictly in the year under review, the campaign most certainly was and as polling day drew closer, the pundits found the result ‘too close to call!’ This meant we needed to make some difficult but necessary decisions to protect the business against some of the risks it faced, which in the worst case scenario were severe.

Having no control over pricing when so much of our ‘raw material costs’ especially transmission and distribution costs are out of our sphere of influence, we sought to fix as much as we could. As a result, we bought forward to a degree we had never done so before, which as it turns out, was a cautious move that isn’t now needed, but we believe it was the right thing to do in those circumstances.

We have avoided the fashion for fixed price tariffs even though we now have dual fuel in our portfolio; we want our customers to stay with us because we deliver on our promises, not because they are locked in; and having customers that are free to leave whenever they wish means we have to work harder delivering on our values. Just like switching, fixed term deals don’t suit everyone and are not the answer to energy pricing. What is disappointing is that people are being put on standard variable tariffs when these contracts come to an end. Far too often these customers are put onto almost penal rates even from the new challenger brands.

We again had dealings with the government during the year but the Challenger Business Programme mentioned last year which aimed to identify and respond to the needs of businesses and help them to enter and grow in their target markets, has come to nought; to be fair the election was partly responsible and new faces in Whitehall under a Conservative government were always going to mean change.

Going forward

So looking forward, despite the election result we still see some uncertainty in energy policy. The recent changes to Climate Change Levy policy in the summer statement took us and the industry by surprise and indicated that the government has abandoned tackling its climate commitment by trying to influence renewable generation indirectly through stimulating demand for greener electricity. Its further announcement regarding slashing the Feed in Tariff payments is another indication of an abandonment of its ‘greenest government yet’ mantra. While a rushed and poorly conceived scheme when introduced, it has been responsible for a seismic shift in both attitude and generation of renewables.

These shifts in government policy are all the more reason for us to highlight that carbon emissions cannot go on unabated and that green energy is a significant driver in reducing carbon impact.

I have been an enthusiastic supporter of Energy Efficiency, despite it being seen as rather boring, but we believe that the greenest energy is the stuff we don’t use. All our customer-facing staff are Energy Savings Trust trained and endorsed. In fact, as we enter our 6th year we are the longest serving company on the programme

GREEN ENERGY (UK) PLC

CHIEF EXECUTIVE OFFICER'S STATEMENT

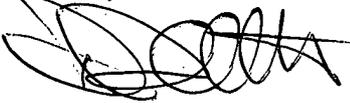
FOR THE YEAR ENDED 30 APRIL 2015

To put it into perspective, I read recently that energy efficiency accounts for more emissions reductions in the USA than renewables. Whatever your view of the USA and its commitment to carbon reduction the real point is that massive gains can be made by 'turning it down or turning it off'. So we might not need as much new generation as we think!

Over the last year the economy as a whole has enjoyed the benefits of world-wide energy stability and it is our hope that we can expect a similar outcome for the next couple of years.

And that just leaves me to thank the staff for their efforts and good humour throughout the year and our customer shareholders for their support, engagement and encouragement.

Thank you



Douglas Stewart
Chief Executive Officer

22/9/15.....

GREEN ENERGY (UK) PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2015

The directors present the strategic report and financial statements for the year ended 30 April 2015.

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.
- Introduction of Gas and dual fuel tariffs

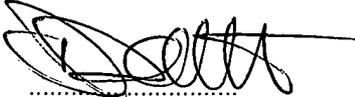
Turnover increased by 20.6% to £12.9m and profit before tax increased by 1.9% to £510k.

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 gas) 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

22/9/15

GREEN ENERGY (UK) PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2015

The directors present their report and financial statements for the year ended 30 April 2015.

Principal activities

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

Directors

The following directors have held office since 1 May 2014:

D Stewart

Sir Peter Thompson

T-J Smith

C Crossley Cooke

(Appointed 27 October 2014)

Financial instruments

Commodity price risk

The company's operations result in exposure to fluctuations in electricity and gas prices. Management monitors electricity and gas 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.

GREEN ENERGY (UK) PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2015

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.

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



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D Stewart

Director

22/9/15.....

GREEN ENERGY (UK) PLC

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GREEN ENERGY (UK) PLC

We have audited the financial statements of Green Energy (UK) Plc for the year ended 30 April 2015 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 2015 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.

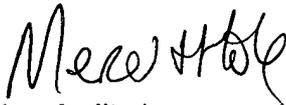
GREEN ENERGY (UK) PLC

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF GREEN ENERGY (UK) PLC

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

22nd September 2015

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 2015

	Notes	2015 £	2014 £
Turnover	2	12,934,586	10,718,310
Cost of sales		(9,926,042)	(8,274,838)
Gross profit		3,008,544	2,443,472
Administrative expenses		(2,497,904)	(1,938,431)
Operating profit	3	510,640	505,041
Other interest receivable and similar income	4	644	30
Interest payable and similar charges	5	(1,278)	(3,681)
Profit on ordinary activities before taxation		510,006	501,390
Tax on profit on ordinary activities	6	(100,917)	(121,415)
Profit for the year	15	409,089	379,975

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.

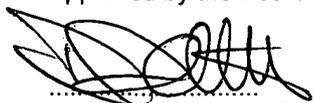
GREEN ENERGY (UK) PLC

BALANCE SHEET

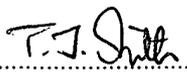
AS AT 30 APRIL 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Tangible assets	7		385,099		348,186
Investments	8		50,003		50,003
			<u>435,102</u>		<u>398,189</u>
Current assets					
Debtors	9	3,112,214		2,448,198	
Cash at bank and in hand		693,527		129,678	
		<u>3,805,741</u>		<u>2,577,876</u>	
Creditors: amounts falling due within one year	10	(2,018,181)		(1,214,596)	
Net current assets			<u>1,787,560</u>		<u>1,363,280</u>
Total assets less current liabilities			<u>2,222,662</u>		<u>1,761,469</u>
Creditors: amounts falling due after more than one year	11		(41,950)		-
Provisions for liabilities	12		(28,108)		(18,206)
			<u>2,152,604</u>		<u>1,743,263</u>
Capital and reserves					
Called up share capital	14		54,913		54,661
Other reserves	15		585		585
Profit and loss account	15		2,097,106		1,688,017
Shareholders' funds	16		<u>2,152,604</u>		<u>1,743,263</u>

Approved by the Board and authorised for issue on 22 September 2015



D Stewart
Director



T J Smith
Director

Company Registration No. 04194006

GREEN ENERGY (UK) PLC

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2015

	£	2015 £	£	2014 £
Net cash inflow/(outflow) from operating activities		690,966		(228,109)
Returns on investments and servicing of finance				
Interest received	644		30	
Interest paid	(1,278)		(3,681)	
Net cash outflow for returns on investments and servicing of finance		(634)		(3,651)
Taxation		(98,734)		(113,346)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(16,068)		(16,706)	
Payments to acquire investments	-		(1)	
Net cash outflow for capital expenditure		(16,068)		(16,707)
Net cash inflow/(outflow) before management of liquid resources and financing		575,530		(361,813)
Financing				
Issue of ordinary share capital	252		202	
Repayment of other long term loans	-		(85,535)	
Capital element of hire purchase contracts	(11,933)		-	
Net cash outflow from financing		(11,681)		(85,333)
Increase/(decrease) in cash in the year		<u>563,849</u>		<u>(447,146)</u>

GREEN ENERGY (UK) PLC

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2015

1 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2015	2014
	£	£
Operating profit	510,640	505,041
Depreciation of tangible assets	53,495	51,059
Increase in debtors	(664,016)	(578,476)
Increase/(decrease) in creditors within one year	790,847	(205,733)
Net cash inflow/(outflow) from operating activities	690,966	(228,109)

2 Analysis of net funds	1 May 2014	Cash flow	Other non-cash changes	30 April 2015
	£	£	£	£
Net cash:				
Cash at bank and in hand	129,678	563,849	-	693,527
Bank deposits	-	-	-	-
Debt:				
Finance leases	-	(62,407)	-	(62,407)
Net funds	129,678	501,442	-	631,120

3 Reconciliation of net cash flow to movement in net funds	2015	2014
	£	£
Increase/(decrease) in cash in the year	563,849	(447,146)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(62,407)	85,535
Movement in net funds in the year	501,442	(361,611)
Opening net funds	129,678	491,289
Closing net funds	631,120	129,678

GREEN ENERGY (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2015

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 and gas to commercial and domestic customers. Revenue excludes Value Added Tax. Revenue from the sale of electricity and gas 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
Motor vehicles	25% straight line

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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.

GREEN ENERGY (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2015

1 Accounting policies (Continued)

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.

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	2015	2014
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	53,495	51,059
Operating lease rentals	40,328	35,150
	<u> </u>	<u> </u>

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	12,000
Taxation compliance	1,500	1,500
Other	1,415	2,851
	<u> </u>	<u> </u>
	23,915	25,351
	<u> </u>	<u> </u>

4 Investment income	2015	2014
	£	£
Bank interest	644	30
	<u> </u>	<u> </u>
	644	30
	<u> </u>	<u> </u>

5 Interest payable	2015	2014
	£	£
Hire purchase interest	1,278	-
Other interest	-	3,681
	<u> </u>	<u> </u>
	1,278	3,681
	<u> </u>	<u> </u>

GREEN ENERGY (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2015

6 Taxation	2015	2014
	£	£
Domestic current year tax		
U.K. corporation tax	96,332	103,209
Adjustment for prior years	(5,317)	-
	<u>91,015</u>	<u>103,209</u>
Total current tax	91,015	103,209
Deferred tax		
Deferred tax charge credit current year	9,902	18,206
	<u>100,917</u>	<u>121,415</u>
	<u><u>100,917</u></u>	<u><u>121,415</u></u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	510,006	501,390
	<u>510,006</u>	<u>501,390</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.92% (2014 - 22.84%)	106,693	114,517
	<u>106,693</u>	<u>114,517</u>
Effects of:		
Non deductible expenses	2,545	-
Depreciation add back	11,191	11,662
Capital allowances	(20,397)	(5,758)
Adjustments to previous periods	(5,317)	-
Margin relief	(2,342)	(2,049)
Other tax adjustments	(1,358)	(15,163)
	<u>(15,678)</u>	<u>(11,308)</u>
	<u><u>(15,678)</u></u>	<u><u>(11,308)</u></u>
Current tax charge for the year	91,015	103,209
	<u>91,015</u>	<u>103,209</u>
	<u><u>91,015</u></u>	<u><u>103,209</u></u>

GREEN ENERGY (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2015

7 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 May 2014	320,000	142,159	41,022	-	503,181
Additions	-	5,310	3,918	81,180	90,408
At 30 April 2015	320,000	147,469	44,940	81,180	593,589
Depreciation					
At 1 May 2014	29,867	93,222	31,906	-	154,995
Charge for the year	12,800	19,631	9,225	11,839	53,495
At 30 April 2015	42,667	112,853	41,131	11,839	208,490
Net book value					
At 30 April 2015	277,333	34,616	3,809	69,341	385,099
At 30 April 2014	290,133	48,937	9,116	-	348,186

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
Net book values	
At 30 April 2015	69,341
Depreciation charge for the year	
At 30 April 2015	11,839

GREEN ENERGY (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2015

8 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 May 2014 & at 30 April 2015	50,003
Net book value	
At 30 April 2015	50,003
At 30 April 2014	50,003

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	%
Subsidiary undertakings				
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 2015	Profit/(loss) for the year 2015
	Principal activity	£	£
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, Green Energy Gas 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 2015

9 Debtors	2015 £	2014 £
Trade debtors	459,840	665,479
Other debtors	1,054,437	453,285
Prepayments and accrued income	1,597,937	1,329,434
	<u>3,112,214</u>	<u>2,448,198</u>

10 Creditors: amounts falling due within one year	2015 £	2014 £
Net obligations under hire purchase contracts	20,457	-
Trade creditors	1,684,439	845,231
Corporation tax	96,333	104,052
Other taxes and social security costs	31,485	45,282
Other creditors	2,950	2,701
Accruals and deferred income	182,517	217,330
	<u>2,018,181</u>	<u>1,214,596</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	2015 £	2014 £
Net obligations under hire purchase contracts	<u>41,950</u>	<u>-</u>
Net obligations under hire purchase contracts		
Repayable within one year	20,457	-
Repayable between one and five years	49,437	-
	<u>69,894</u>	<u>-</u>
Finance charges and interest allocated to future accounting periods	(7,487)	-
	<u>62,407</u>	<u>-</u>
Included in liabilities falling due within one year	(20,457)	-
	<u>41,950</u>	<u>-</u>

GREEN ENERGY (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2015

12 Provisions for liabilities

	Deferred tax liability £
Balance at 1 May 2014	18,206
Profit and loss account	9,902
	<hr/>
Balance at 30 April 2015	28,108
	<hr/> <hr/>

The deferred tax liability is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	28,108	18,206
	<hr/> <hr/>	<hr/> <hr/>

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.

	2015 £	2014 £
Contributions payable by the company for the year	44,382	41,935
	<hr/> <hr/>	<hr/> <hr/>

GREEN ENERGY (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2015

14 Share capital	2015	2014
	£	£
Allotted, called up and fully paid		
53,963,000 'A' Ordinary shares of 0.001 each	53,963	53,956
- 'B' Ordinary shares of 0.001 each	-	5
66,900 'C' Ordinary shares of 0.001 each	67	-
883,000 'D' Ordinary shares of 0.001 each	883	700
	<u>54,913</u>	<u>54,661</u>

During the year 1,600 (2014: 800) 'A' Ordinary shares of £0.001 each and 250,000 (2014: 200,000) 'D' Ordinary shares of £0.001 each were allotted and fully paid at par for cash consideration. 4,800 (2014: 170,800) 'B' Ordinary shares were converted into 'A' Ordinary shares. 66,900 (2014: nil) 'D' Ordinary shares were converted into 'C' Ordinary shares.

'B' and 'D' 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. All subsequent customers will receive 'D' Ordinary shares.

'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 2015

15 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 May 2014	585	1,688,017
Profit for the year	-	409,089
Balance at 30 April 2015	<u>585</u>	<u>2,097,106</u>
Other reserves		
Capital redemption reserve		
Balance at 1 May 2014 & at 30 April 2015	<u>585</u>	

16 Reconciliation of movements in shareholders' funds

	2015 £	2014 £
Profit for the financial year	409,089	379,975
Proceeds from issue of shares	252	202
Net addition to shareholders' funds	<u>409,341</u>	<u>380,177</u>
Opening shareholders' funds	1,743,263	1,363,086
Closing shareholders' funds	<u>2,152,604</u>	<u>1,743,263</u>

17 Financial commitments

At 30 April 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 April 2016:

	Land and buildings	
	2015 £	2014 £
Operating leases which expire:		
In over five years	<u>25,000</u>	<u>25,000</u>

The Company is committed to purchase electric power under various short and long-term electricity supply contracts. At 30 April 2015 the estimated annual commitment for the purchase of electricity under all these contracts totalled £4.3 million (2014: £1.8 million).

GREEN ENERGY (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2015

18	Capital commitments	2015	2014
		£	£

At 30 April 2015 the company had capital commitments as follows:

Contracted for but not provided in the financial statements	98,419	-
	<u>98,419</u>	<u>-</u>

19	Directors' remuneration	2015	2014
		£	£

Remuneration for qualifying services	452,945	352,421
Company pension contributions to defined contribution schemes	29,400	29,400
	<u>482,345</u>	<u>381,821</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2014 - 2).

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

Remuneration for qualifying services	220,000	181,880
Company pension contributions to defined contribution schemes	16,200	16,200
	<u>236,200</u>	<u>198,080</u>

20 Employees

Number of employees

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

	2015	2014
	Number	Number
Number of employees	27	24
	<u>27</u>	<u>24</u>

Employment costs

	2015	2014
	£	£
Wages and salaries	1,147,726	972,925
Social security costs	123,417	108,107
Other pension costs	44,382	41,935
	<u>1,315,525</u>	<u>1,122,967</u>

GREEN ENERGY (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2015

21 Related party relationships and transactions

Other transactions

During the year, Douglas Stewart Ventures Limited, a company in which Douglas Stewart and Tim Smith are directors, recharged the company £87,772 (2014: £83,810) 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 (2014: £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 £292,343 (2014:£101,951) to the company. No amounts were outstanding at the balance sheet date.