Registered number:
08241751

GREEN NETWORK UK PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD 01 JANUARY 2019 TO 30 APRIL 2020

COMPANY INFORMATION

Directors	Piero Saulli Antonio Noia Pietro di Maria David Spencer Tuomey
Company secretary	Blakelaw Secretaries Limited
Registered number	08241751
Registered office	4th Floor, 100 Victoria Street, London England SW1E 5JL
Independent auditors	A.C.T Audit 48 Dover Street Mayfair London W1S 4FF UK

CONTENTS

STRATEGIC REPORT
FOR THE PERIOD 01 JANUARY 2019 TO 30 APRIL 2020

Introduction

The directors present their Strategic Report, Directors' Report and the audited financial statements for the period 01 January 2019 to 30 April 2020. As a consequence, the current period is a 16 months period. The comparable period is the 12 months period ending 31 December 2018.

Business review

Green Network UK Plc ("the company") has continued to supply its subsidiary, Green Network Energy Ltd ("the subsidiary"), with physical trades of power and gas for sale to the UK market. In addition, the company has continued with the financial trading activity on the energy markets.

During the 16 months period, revenue increased by 159% to € 284 million (2018 – € 110 million).

Turnover for financial period 2020/21 is expected to grow off the back of the strategic growth plans of the subsidiary's increase primarily in customers served in the residential market as well as, with a very minor impact, into the SME market.

Financial key performance indicators

The Key Performance Indicators of the company are turnover, TWh quantity and profit before taxation. A brief analysis of these is shown below:

	April 2020	Dec 2018	Variance
Turnover	€283,509,949	€109,672,218	158,51%
TWh quantity	7.61	3.70	105.7%
Operating profit	€29,854,691	(€5,138,756)	480,97%

Principal risks and uncertainties

The principal risk and uncertainties impacting the Group relate to the economic & political uncertainty in the global economy, in particular in Europe and the UK, the fluctuations in the Oil & Gas prices in the commodity and financial markets and the potential counterparty risk. While these risks are not new they continue to have an effect on all businesses in the energy trading sector.
The cost of the commodities (electricity and gas) and the volatility and exposure of future price increase. The UK is going to be more and more gas dependent whose cost is strongly influenced by renewable production both in the UK and other European markets and also by the sterling exchange rate, particularly unpredictable during this Brexit dealing period.
Gas price fluctuation, however, is both a potential risk and opportunity for the Group. The price of oil continues fluctuate around the benchmark set at the start of the financial period, while this will have less of an effect directly on the business it will continue to be a potential risk to the wholesale market as a whole.
The company manages commodity price risk by securing gas and electricity under forward contracts. The company has an exclusive purchase agreement with BP in order to secure supply for the UK subsidiary.
This report was approved by the board and signed on its behalf.

Antonio Noia

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Antonio Noia
Director

Date: 17/03/2021

DIRECTORS REPORT
FOR THE PERIOD 01 JANUARY 2019 TO 30 APRIL 2020

The directors present their report and the audited financial statements for the period ended 30 April 2020.

Statement of engagement with suppliers, customers and other in a business relationship with the company

The company agrees payment terms with its suppliers when it enters into binding purchase contracts. The company seeks to abide by the terms agreed with suppliers wherever it is satisfied that the supplier has supplied the goods and services in accordance with the agreed terms and conditions. The company seeks to treat all its suppliers fairly.

Principal activities

The principal activity of the company continued to be the trading of electrical energy and gas.

The results for the period and the financial position at the end of the period were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Results and dividends

The profit for the current financial period amounted to €3,727,568 (December 2018: loss €16,237,663).

The directors have not recommended or paid a dividend (December 2018: Nil).

Directors

The directors of the company who were in office during the period and up to the date of signing the financial statements were:

Sabrina Corbo (appointed on 2 September 2014 – resigned on 17 February 2021)
Antonio Noia (appointed on 3 September 2019)
Pietro di Maria (appointed on 3 September 2019)
Piero Saulli (appointed on 17 February 2021)
Mauro Contini (appointed on 3 September 2019 – resigned on 17 February 2021)
Jamie Bradshaw (appointed on 5 October 2012 - resigned on 3 June 2019)
David Tuomey (appointed on 5 October 2012 - resigned on 3 September 2019 – appointed on 17 February 2021)

Directors Duties

The Directors of the Company must act in accordance with a set of general duties. These duties are detailed in section 172 of the Companies Act 2006, which is summarised as follows:

A Director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company's maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.

The following paragraphs summarise how the Directors fulfil their duties and for further information about how the board considers stakeholders in its decision-making read our section 172 statement on page 1-4.

Future developments

This information is contained in the Business review section set out on page 1 of The Strategic Report.

Financial instruments

The company entered during the period into various contracts, for the physical and the non physical sale and purchase of energy and gas. Some of these contracts have met all of the requirements expected from FRS 102 for the own use exemption, so that the fair value at end of the period should not be recognised in the statement of comprehensive income. The company however continues to perform financial energy trading and these gains and losses arising continue to be recognised in the statement of comprehensive income.

Treasury operations and financial instruments

The company has various financial instruments arising from its activities and operations.

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring that the company has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The company is exposed to fair value interest rate risk on any fixed rate borrowings and cash flow interest rate risk on any floating rate deposits, bank overdrafts and loans.

Foreign currency risk

The company's principal foreign currency exposures arise from funding from its overseas parent.

Credit risk

Investment of cash surpluses and borrowings are made through banks and companies who must be approved by the Board. Debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Counterparty risk

The company is partially reliant on its subsidiary supplying power and gas in the UK market. The subsidiary, Green Network Energy Limited, supplies energy mainly to the residential UK market with a recent entry into the SME supply market.

Price risk

The company hedges against the risk of adverse movement in energy prices by fixing the price of its purchases and sales of energy through the use of forward contracts.

Research and development

The company did not incur any research and expenditure during the period (April 2020: €nil).

Charitable and political donations

During the period the company made no donations (April 2020: €nil) to charities or political parties.

Qualifying third-party and pension scheme indemnity provisions

No qualifying third-party or pension scheme indemnity provision is in place.

Disclosure of information to auditors

In the case of each director in office at the date the Directors; Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have as a directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the end of the period.

Going Concern

The directors have considered the business activities, together with the factors likely to affect its future development, its financial position, including its exposures to price, credit, liquidity and cash flow risk.

After making enquiries and as confirmed by group management, the directors have a reasonable expectation that the company and the Green Network Group have adequate resources to continue in operational existence for the foreseeable future. The financial support of the ultimate parent company SC Holding Srl has been confirmed for a period of not less than 12 months from the date of signing these financial statements.. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

In the first part of 2020 the effects of the COVID-19 pandemic were felt on production activities and aggregate demand in all economies; there will be a very hard fall in world trade in the year as a whole. The deterioration in growth prospects let to a sharp drop in stock market indices and an abrupt rise in volatility and risk aversion. Monetary and fiscal authorities in all main countries put strongly expansive measures in place to support household and business income, credit to the economy and market liquidity.

Management has successfully tested and implemented, starting from the beginning of March 2020 without any business interruption, the IT system to allow all staff to work remotely.
Not having any significant impact from COVID-19 either on the business or at statutory accounts level and experiencing, on the contrary, an upturn in terms of commodities consumption especially for domestic segment supplied from the UK subsidiary, mainly due to the smart working applied across the whole country, the Management did not furlough any staff.

Management has considered the consequences of COVID-19 and other events and conditions, and it has determined that, as not being also a negative outlook on the future budget effects, they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

DIRECTORS REPORT (CONTINUED)
FOR THE PERIOD 01 JANUARY 2019 TO 30 APRIL 2020

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

ACT Audit Limited have been appointed as statutory auditors during 2021. ACT Audit Limited have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board and signed on its behalf.

Antonio Noia

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Antonio Noia
Director

Date: 17/03/2021

Independent auditors' report to the members of Green Network UK PLC

Opinion

We have audited the financial statements of Green Network UK PLC (the 'company') for the year ended 30 April 2020 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report.

We have nothing to report in respect of the following matters in relation to which 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the director
As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
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 auditor's 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.

ACT AUDIT LIMITED

Pierpaolo Spadoni (Senior Statutory Auditor)

For and on behalf of
ACT Audit Limited
Chartered Certified Accountants & Statutory Auditor
48 Dover Street
Mayfair
London W1S 4FF

17 March 2021

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 01 JANUARY 2019 TO 30 APRIL 2020

	Note	16 months period ended 30 April 2020 €	Year ended 31 December 2018 €
Turnover	4	283,509,949	109,672,218
Cost of sales	5	(269,353,026)	(111,698,853)
Gross profit/(loss)		14,156,923	(2,026,635)
Administrative expenses		(4,945,535)	(4,755,038)
Other operating expenses	7	(53,334,572)	(23,597,905)
Other operating income	6	54,826,275	25,240,822
Operating profit/(loss)	8	10,703,091	(5,138,756)
Loss on financial instruments at fair value through profit and loss	21	(6,334,413)	(9,867,267)
Profit/(loss) before interest and taxation		4,368,678	(15,006,023)
Interest receivable and similar income	12	815,653	3
Interest payable and similar expenses	13	(1,456,763)	(1,231,643)
Profit/(loss) before taxation		3,727,568	(16,237,663)
Tax on profit/(loss)	14	-	-
Profit/(loss) for the financial period/year		3,727,568	(16,237,663)

There was no other comprehensive income for the period ended April 2020 (December 2018: € nil).

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

The notes on pages 11 to 30 form part of these financial statements.

BALANCE SHEET
AS AT 30 APRIL 2020

	Note		As at 30 April 2020 €		As at 31 December 2018 €
Fixed assets					
Intangible assets	15		-		31,250
Tangible assets	16		306,821		533,279
Investments	17		11,879		1
			318,700		564,530
Current assets					
Debtors: amounts falling due after more than one year	18	500,072		941,271	
Debtors: amounts falling due within one year	18	77,666,747		71,853,490	
Cash at bank and in hand	19	2,889,655		1,196,561	
		81,056,474		73,991,322	
Creditors: amounts falling due within one year	20	(92,095,501)		(89,003,747)	
Net current liabilities			(11,039,027)		(15,012,425)
Total assets less current liabilities			(10,720,327)		(14,447,895)
Net liabilities			(10,720,327)		(14,447,895)
Capital and reserves					
Called up share capital	22		5,097,024		5,097,024
Profit and loss account			(15,817,351)		(19,544,919)
Total equity			(10,720,327)		(14,447,895)

The notes on pages 11 to 30 form part of these financial statements.

The financial statements on pages 7 to 27 were approved by the Board of Directors and signed on its behalf by:

Antonio Noia

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Antonio Noia
Director

Date: 17/03/2021

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 APRIL 2020

	Called up share capital	Profit and loss account	Total equity
	€	€	€
At 1 January 2019	5,097,024	(19,544,919)	(14,447,895)
Profit for the financial period	-	3,727,568	3,727,568
At 30 April 2020	5,097,024	(15,817,351)	(10,720,327)

	Called up share capital	Profit and loss account	Total equity
	€	€	€
At 1 January 2018	5,097,024	(3,307,256)	1,789,768
Loss for the financial period	-	(16,237,663)	(16,237,663)
At 31 December 2018	5,097,024	(19,544,919)	(14,447,895)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 01 JANUARY 2019 TO 30 APRIL 2020

1. General information

Green Network UK Plc is a private company incorporated in the United Kingdom and registered in England and Wales under registration number 08241751. The registered and trading office is 4th Floor – 100 Victoria Street, London, SW1E 5JL. The nature of the company's operations is the trading of electrical energy and gas.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concem basis, under the historic cost modified by revaluation of financial assets and financial liabilities held at fair value through profit and loss within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. These policies have been consistently applied to all years presented, unless otherwise stated.

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as it is exempt from the requirements to do so under section 400 Companies Act 2006 as it is a wholly owned subsidiary undertaking of SC holdings Srl, (ultimate parent) a company incorporated in Italy, and is included in the consolidated financial statements of that company.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.
- the requirements of Section 11 & 12 financial instrument disclosures, paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29.

These information are included in the consolidated financial statements of SC Holding Srl as at 30 April 2020 and these financial statements may be obtained from Rome, Via Giulio Vincenzo Bona, 101, CAP 00156, Italy.

2.3 Going concern

The company meets its day to day working capital requirements through continued financial support from the parent company SC Holding Srl. The financial support will be made available for a period of not less than 12 months from the date of signing these financial statements. The directors have received confirmation of this support. On the basis of this confirmation of support, the directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future and as such, they continue to adopt the going concem basis of accounting in preparing the financial statements.

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised.

Revenue represents amounts receivable for electricity supplied net of VAT. Revenue is recognised on an accruals basis as and when the electricity is supplied.

2.5 Expenses

The income statement includes cost items dedicated to the management of costs of commodities, shipping, dispatching, etc., for which the Company recognises a related cost towards the UK subsidiary. Any related costs are accounted for according to the normal business strategy and the relevant accounting standards
Financial income and costs are recognised on an accruals basis.

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Computer software	-	4 years

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 25% straight line
Office equipment	- 33% straight line
Computer equipment	- 33% straight line

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid. The investments are reviewed annually by the Directors to see if any impairment charge is required.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

The Company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

2. Accounting policies (continued)

2.10 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Contract for non physical trading of energy and gas
The company enters into various contracts for the sale and purchase of energy and to mitigate price risks on their activities. Contracts entered into to manage price risk and which do not result in the physical delivery of energy are treated as financial instruments and are recognised at fair value with changes in value recognised directly in the statement of comprehensive income. These grant the company the right to buy or sell energy at a fixed price over the life of the contracts. The fair value of these contracts as at the balance sheet date has been calculated using a weighted average forward price for delivery over the life of the contracts as published by the European Energy Exchange.

Contract for physical trading of energy and gas – own use exemption
Contracts which are for the forward purchase or sale of energy and gas resulting in the physical delivery of the commodities are treated as purchases and sales in the ordinary course of business and therefore not recognised as financial instruments, but are disclosed as commitments at the balance sheet date.

The company does not hedge account for such transactions. Contracts for purchase or sale of non-financial elements, which have been executed and continue to be held for collection or delivery, according to the normal purchase, sale or use requirements set out by the company, fall outside the scope of application of FRS 102 ("own use exemption") and, therefore, are recognised in accordance with the relevant accounting rules. The identification of own use contracts includes the following conditions:

- if the contract can be settled net;
- if it was entered into by the company for its normal use, purchase and sale requirements.
- if it has been executed or is expected to be executed for physical delivery purposes;
- if there is a commitment to sell the gas/power (physical) for the same quantity.

The company segregate the contracts resulting in physical or non physical delivery according to law requirements, using different platforms and are designated at inception.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD 01 JANUARY 2019 TO 30 APRIL 2020

2. Accounting policies (continued)

2.10 Financial instruments (continued)

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The company does not hedge account for such transactions.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Euros. Monetary amounts in these financial statements are rounded to the nearest €.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'administrative expenses'.

2.13 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument

2. Accounting policies (continued)

2.14 Operating leases: the Company as lessee

Where the Company obtains assets under leasing arrangements which transfer substantially all the risks and rewards of ownership of an asset to the Company as lessee (finance leases), the lower of the fair value of the leased asset or the present value of the minimum lease payments is capitalised as an asset with a corresponding liability representing the obligation to the lessor. Lease payments are treated as consisting of a capital element and a finance charge, the capital element reducing the obligation of the lessor and the finance charge being written off to the statement of profit and loss at a constant rate over the period of the lease in proportion to the capital amount outstanding. Depreciation is charged over the shorter of the estimated useful life and the lease period.
Leases where substantially all the risks and rewards of ownership remain with the lessor are classified as operating leases. Rental costs arising under operating leases are expensed on a straight line basis over the term of the operating lease.

2.15 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.16 Taxation

Tax on the profit or loss for the year comprises current. Tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates (where substantially enacted) that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

2. Accounting policies (continued)

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Financial instruments

The company applies the required level of judgement when assessing if the physical trading of energy and gas contract have all the requirements according to the own use exemption. All the physical contract open at end of the period have been assessed as own use. The company applies the judgement in FRS102 when making this assessment at the inception of the contract. If the own use exemption was not available then the related gains and losses of the contracts would be recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD 01 JANUARY 2019 TO 30 APRIL 2020

4. Turnover

	16 months period ended 30 April 2020 €	Year ended 31 December 2018 €
United Kingdom	264,358,347	109,672,218
Europe	19,151,602	-
Total	283,509,949	109,672,218

All turnover arose from the company's principal activity.

5. Cost of sales

	16 months period ended 30 April 2020 €	Year ended 31 December 2018 €
Energy and Gas - UK	250,236,239	111,698,853
Energy and Gas - Europe	19,116,787	-
Total	269,353,026	111,698,853

6. *Other operating income*

	16 months period ended 30 April 2020 €	Year ended 31 December 2018 €
Recharge of Rent	804,626	591,476
Recharge of shipping cost	52,581,391	23,065,826
Trading fees	1,440,258	1,583,520
Total	54,826,275	25,240,822

7. Other operating expenses

	16 months period ended 30 April 2020 €	Year ended 31 December 2018 €
Trading fees	798,671	552,163
Shipping cost	52,535,901	23,045,742
Total	53,334,572	23,597,905

8. Operating profit/(loss)

The operating profit/(loss) is stated after charging/(crediting):

	16 months period ended 30 April 2020 €	Year ended 31 December 2018 €
Depreciation of tangible fixed assets	235,411	144,615
Amortisation of intangible assets	31,250	64,250
Exchange differences	985	6,938
Other operating lease rentals	683,387	690,872
Total	951,033	918,798

9. Auditors' remuneration

	16 months period ended 30 April 2020 €	Year ended 31 December 2018 €
Fees payable to the Company's auditors and their associates for the audit of the Company's annual financial statements	25,000	25,000

10. Employees

Staff costs, including directors' remuneration, were as follows:

	16 months period ended 30 April 2020 €	Year ended 31 December 2018 €
Wages and salaries	2,747,459	1,049,513
Social security costs	253,642	220,879
Staff accommodation	230,268	347,255
Total	3,231,369	1,617,647

The average monthly number of employees during the period was as follows:

	16 months period ended 30 April 2020 No.	Year ended 31 December 2018 No.
Administration – directors	4	3
Staff	15	12
Total	19	15

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD 01 JANUARY 2019 – 30 APRIL 2020

11. Directors' remuneration

	16 months period ended 30 April 2020 €	Year ended 31 December 2018 €
Directors' emoluments	316,092	577,798
Directors' expenses	42,481	3,654
Total	358,573	581,452

The highest paid director received remuneration of € 358,573(2018: €581,452).

12. Interest receivable and similar income

	16 months period ended 30 April 2020 €	Year ended 31 December 2018 €
Other interest receivable	815,653	3
Total	815,653	3

13. Interest payable and similar expenses

	16 months period ended 30 April 2020 €	Year ended 31 December 2018 €
Bank interest payable	114,883	47,672
Guarantees	390,906	430,500
Foreign exchange differences	(67,983)	6,938
Other interest payable	-	519,020
Interest payable to group undertakings	1,018,955	227,513
Total	1,456,763	1,231,643

14. Tax on profit/(loss)

	16 months period ended 30 April 2020 €	Year ended 31 December 2018 €
Current tax on profits for the yea	-	-
Adjustments in respect of previous periods	-	-
Deferred tax	-	-
Tax on profit/(loss)	-	-

Factors affecting tax charge for the period

The tax assessed for the period is lower than (Dec 2018: higher than) the standard rate of corporation tax in the UK of 19% (2018 – 19%). The differences are explained below:

	16 months period ended 30 April 2020 €	Year ended 31 December 2018 €
Profit/(loss) before taxation	3,727,568	(16,237,663)
Profit/(loss) before taxation multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	708,238	(3,085,156)

14. Tax on profit/(loss) (continued)

Effects of:

Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	3,193
Capital allowances for period less than/(in excess) of depreciation	150,850	54,219
Deferred tax prior period	-	-
Unrelieved tax losses (utilised)/carried forward	(859,088)	3,397,997
Difference in tax rates	-	(40,594)
Temporary differences	-	(329,659)
Total tax (credit)/charge for the period	-	-

Factors that may affect future tax charges

The company has estimated tax losses of €15.5 million (December 2018: €23,524,987) available for carry forward against future trading profits.

The Finance Act No. 2 includes legislation which will reduced the rate of tax to 19% and to 18% from 1 April 2020. The Finance Act (No. 2) 2015 was substantively enacted on 26 October 2015. Subsequent to this the Finance Act 2017 was substantively enacted on 6 September 2016 and includes legislation to further reduce the rate from 1 April 2020 to 17%

15. Intangible assets

	Computer software €
Cost	
Aa at 1 January 2019	257,000
Aa at 30 April 2020	257,000
Accumulated amortisation	
As at 1 January 2019	225,750
Charge for the period	31,250
Aa at 30 April 2020	257,000
Net book value	
Aa at 30 April 2020	-
As at 31 December 2018	31,250

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD 01 JANUARY 2019 TO 30 APRIL 2020

16. Tangible assets

	Fixtures and fittings €	Office equipment €	Computer equipment €	Total €
Cost				
Aa at 1 January 2019	448,983	296,403	148,965	894,351
Additions	4,103	-	13,949	18,052
Disposals	(9,098)	-	-	(9,098)
Aa at 30 April 2020	443,988	296,403	162,914	903,305
Accumulated depreciation				
As at 1 January 2019	40,713	222,612	97,747	361,073
Depreciation on disposals	-	-	-	-
Charge for the period on owned assets	148,648	50,846	35,916	235,412
As at 30 April 2020	189,361	273,458	133,665	596,484
Net book value				
Aa at 30 April 2020	254,627	22,945	29,249	306,821
As at 31 December 2018	408,270	73,791	51,218	533,279

17. Investments

	Investments in subsidiary companies €
Cost or valuation	
As at 1 January 2019	1
Addition	11,878
As at 30 April 2020	11,879
Net book value	
Aa at 30 April 2020	11,879
As at 31 December 2018	1

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Green Network Energy Limited	Ordinary	100%	Supply of gas and electricity to UK residential electricity and gas customer
Green Network Store Limited	Ordinary	100%	Retail sale via mail order houses or via Internet

The address of the registered office of Green Network Energy Limited is 3rd Floor, Renaissance Building, Dingwall Road, Croydon, England, CR0 2NA.

The address of the registered office of Green Network Store Limited is 3rd Floor, Renaissance Building, Dingwall Road, Croydon, England, CR0 2NA.

The aggregate of the share capital and reserves as at 30 April 2020 and of the profit or loss for the period ended on that date for the subsidiary undertakings were as follows:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD 01 JANUARY 2019 TO 30 APRIL 2020

	Aggregate of share capital and reserves €	Profit/Result €
Green Network Energy Limited	(27,429,964)	207,532
Green Network Store Limited	10,000	-

18. Debtors

	As at 30 April 2020 €	As at 31 December 2018 €
Amounts falling due after more than one year		
Trade deposits	500,072	941,271
Total	500,072	941,271

	As at 30 April 2020 €	As at 31 December 2018 €
Amounts falling due within one year		
Trade debtors	17,663,677	1,767,221
Accrued income from the group undertakings	35,456,193	18,347,459
Other taxes	168,318	210,450
Deferred taxation	-	329,659
Financial instruments	23,825,081	44,986,524
Prepayments and accrued income	553,478	6,212,177
Total	77,666,747	71,853,490

Debtors due in more than one year relate to trading deposits held by third parties until the termination of the trading relationship. Therefore, since there is no fixed date of redemption, these balances have not been discounted.

Amounts owed by group and associated undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

19. Cash at bank and in hand

	As at 30 April 2020 €	As at 31 December 2018 €
Cash at bank and in hand	2,889,655	1,196,561
Total	2,889,655	1,196,561

20. Creditors: Amounts falling due within one year

	As at 30 April 2020 €	As at 31 December 2018 €
Trade creditors	9,282,362	10,138,869
Borrowings	-	2,793,153
Amounts owed to group undertakings	53,852,453	9,118,220
Other taxation and social security	76,571	27,481
Accrued costs from group undertakings	508,185	2,568,797
Financial instruments	22,129,854	43,251,474
Accruals and deferred income	6,246,077	21,105,753
Total	92,095,501	89,003,747

Amounts owed to group undertakings are unsecured, interest-free, and repayable on demand.

21. Loss on financial instruments at fair value through profit and loss

The table below sets out the company's FRS 102 classification of each of its financial assets and liabilities at 30 April 2020. All amounts not held at fair value are stated at their carrying value which approximates to fair value.

	As at 30 April 2020	As at 31 December 2018
	€	€
22. Called up share capital		
Allotted, called up and fully paid		
Ordinary shares of €1 each	5,097,024	5,097,024

23. Contingent liabilities and Commitments

At 30 April 2020 / 31 December 2018 the Company had future minimum lease payments under the non-cancellable operating leases as follows:

	As at 30 April 2020	As at 31 December 2018
	€	€
Commitments under leasing		
Not later than 1 year	1,275,579	1,305,603
Later than 1 year and not later than 5 years	4,874,122	4,058,682
Later than 5 years	3,538,816	3,977,913
	9,688,517	**9,342,198**

24. Related party transactions

The company has taken advantage of the exemption available in accordance with FRS 102 not to disclose transactions entered into between two or members of a group, as the company is a wholly owned subsidiary of the group to which it is a party to the transactions.

The company had the following transactions with Orsa Saiwai Limited, a company incorporated in the United Kingdom, of which the director, David Tuomey (appointed on 5 October 2012 - resigned on 3 September 2019) was also a director: administrative fees payable were €3,255 (December 2018 : €1,213).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD 01 JANUARY 2019 TO 30 APRIL 2020

25. Controlling party

The immediate and ultimate parent company is SC Holdings Srl, a company incorporated in Italy. The ultimate controlling party is the director Sabrina Corbo.

The smallest and largest group in which the results of Green Network UK Plc are consolidated is that headed by SC Holdings Srl. The consolidated financial statements of SC Holdings Srl are available to the public from:

SC Holdings Srl
Via Giulio Vincenzo Bona, 101,
CAP 00156,
Rome
Italy