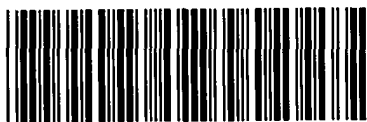


GREEN SKY ENERGY LIMITED
STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the Year Ended 31 December 2016

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Registered No: 07023717

GREEN SKY ENERGY LIMITED
STRATEGIC REPORT
for the Year Ended 31 December 2016

The directors present their strategic report of the Company for the year ended 31 December 2016.

Fair review of the business

Both the level of business during the year and the financial position of the Company at the year-end were as expected. At 31 December 2016, the Company had net assets of £3,156,088 (2015: net assets of £3,347,082). Further information regarding the financial position of the Company at the year-end is provided in the Directors' Report.

The directors believe that the present level of activity will be sustained in the current year.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the Company relate primarily to the extent to which UK corporates are prepared to take seriously the need to focus on energy efficiency. This is, in part, impacted by government policy and legislation in this area. There is also a degree of risk associated with execution of the Company's major contracts, a number of which contain performance guarantees. The management of risks is undertaken at E.ON SE consolidated ("group") level. Further discussion of these risks and uncertainties, in the context of the group as a whole, is provided within the financial review section of the group's annual report which does not form part of this report.

Key performance indicators ('KPIs')

The Board of Management of E.ON SE manage the group's operations on a divisional basis. For this reason the Company's directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the E.ON Connecting Energies division of E.ON SE, which includes the Company, is discussed within the financial review section of the group's annual report which does not form part of this report.

Approved by the Board of Directors on 27 July 2017 and signed on its behalf by:



M C Brown
Director

Green Sky Energy Limited
Company No: 07023717
Westwood Way
Westwood Business Park
Coventry
CV4 8LG

GREEN SKY ENERGY LIMITED
DIRECTORS' REPORT
for the Year Ended 31 December 2016

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2016.

Directors of the Company

The directors who held office during the year and up to the date of signing are given below:

R Hienz	(resigned 31 May 2016)
P Baan	
P M Middlebrook	(resigned 1 March 2016)
M C Brown	(appointed 1 March 2016)

Principal activity

The principal activity of the Company in the year under review was that of a holding company for a group of companies involved in the provision of energy management services.

Results and dividends

The Company's loss for the financial year is £190,994 (2015: profit of £1,388,426). The directors do not recommend a final dividend (2015: £nil).

Financial risk management

Objectives and policies

The Company, in common with other E.ON SE subsidiaries, must comply with the E.ON SE group finance guidelines that set out the principles and framework for managing group-wide finances. The Company also utilises the E.ON UK plc operational treasury team which services the treasury requirements of the business. Further information on the E.ON SE group's policies and procedures is available in the financial statements of the E.ON SE group.

Political donations

No political donations were made during the year (2015: £nil).

Future developments

Present level of activity is likely to continue.

Directors' indemnities

The E.ON SE Group maintains liability insurance for the directors and officers of the Company as with all E.ON SE subsidiaries. This is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. This insurance cover was in force during the year and is still in force at the date of approving the financial statements.

Statement of disclosure of information to auditors

In accordance with the Companies Act 2006 a resolution to reappoint PricewaterhouseCoopers LLP as auditors are to be proposed at the forthcoming Annual General Meeting.

So far as each of the directors 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 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.

GREEN SKY ENERGY LIMITED
DIRECTORS' REPORT
for the Year Ended 31 December 2016 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101).

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 United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; 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 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.

Approved by the Board of Directors on 27 July 2017 and signed on its behalf by:



M C Brown
Director

Green Sky Energy Limited
Company No: 07023717
Westwood Way
Westwood Business Park
Coventry
CV4 8LG

GREEN SKY ENERGY LIMITED
Independent Auditors' Report to the Members of
GREEN SKY ENERGY LIMITED

Report on the financial statements

Our opinion

In our opinion, Green Sky Energy Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss 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.

What we have audited

The financial statements, included within the Strategic Report, Directors' Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2016;
- the profit and loss account for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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 have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

GREEN SKY ENERGY LIMITED
Independent Auditors' Report to the Members of
GREEN SKY ENERGY LIMITED (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 3, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Simon Evans (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

27 July 2017

GREEN SKY ENERGY LIMITED
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2016

	<i>Note</i>	2016 £	2015 £
Operating result	2	-	-
Income from shares in group undertakings	5	-	5,991,728
Amounts written off investments	5	-	(3,486,647)
Interest payable and similar charges	3	(238,767)	(1,400,134)
(Loss) / profit on ordinary activities before taxation		(238,767)	1,104,947
Tax on (loss) / profit on ordinary activities	4	47,773	283,479
(Loss) / profit for the financial year		(190,994)	1,388,426


The Company has no other comprehensive income for the year, therefore no separate statement of comprehensive income has been presented.

The notes on pages 9 to 15 form part of these financial statements.

GREEN SKY ENERGY LIMITED
BALANCE SHEET
as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	5	33,004,605	33,004,805
Current assets			
Debtors	6	536,056	488,283
Cash at bank and in hand		329	1,255
Creditors: amounts falling due within one year	7	536,385 (6,362,088)	489,538 (6,363,320)
Net current liabilities		(5,825,703)	(5,873,782)
Total assets less current liabilities		27,178,902	27,131,023
Creditors: amounts falling due after more than one year	8	(24,022,814)	(23,783,941)
Net assets		3,156,088	3,347,082
Capital and reserves			
Called up share capital	9	389,562	389,562
Share premium account		529,364	529,364
Profit and loss account		2,237,162	2,428,156
Total shareholders' funds		3,156,088	3,347,082

The financial statements on pages 6 to 15 were approved by the Board of Directors on 27 July 2017 and signed on its behalf by:



M C Brown
Director
Green Sky Energy Limited
Company No: 07023717

GREEN SKY ENERGY LIMITED
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2016

	Called up share capital £	Share premium account £	Profit and loss account £	Total shareholders' funds £
At 1 January 2015	389,562	529,364	1,039,730	1,958,656
Profit for the financial year	-	-	1,388,426	1,388,426
At 31 December 2015	389,562	529,364	2,428,156	3,347,082
Loss for the financial year	-	-	(190,994)	(190,994)
At 31 December 2016	389,562	529,364	2,237,162	3,156,088

The notes on pages 9 to 15 form part of these financial statements.

GREEN SKY ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2016

1. Accounting Policies

General information

The Company is a holding company for a group of companies involved in the provision of energy management services.

The Green Sky Energy Limited is a private company limited by share shares and is incorporated and domiciled in England and Wales.

Basis of preparation of financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the going concern basis historical cost convention and in accordance with the Companies Act 2006. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

The Company has adopted disclosure exemptions in relation to the following:

- The requirements of IAS 1 Presentation of Financial Statements
- The requirements of IAS 7 Statement of Cash Flows
- The requirements of Paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- The requirements of Paragraph 17 of IAS 24 Related Party Disclosures (key management compensation)
- The requirements of Paragraph 17 of IAS 24 Related party disclosures to disclose related party transactions entered into between two or more members of a group
- The requirements of IFRS 7 Financial Instruments: Disclosures
- The requirements of IFRS 10 Consolidated Financial statements
- The requirements of paragraphs 91 to 99 of IFRS 13 Fair value measurement (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)

Exemption from preparing group financial statements

The Company is a wholly-owned subsidiary undertaking of E.ON SE, the ultimate parent undertaking, and is included in the publicly available consolidated financial statements of E.ON SE. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of Section 400 of the Companies Act 2006.

The company's financial statements present information about it as an individual entity and not about its group.

Judgement in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of these financial statements, and the reported amounts of revenues and expenses during the reporting year. These judgements are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in these financial statements.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

GREEN SKY ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2016 (continued)

1. Accounting Policies (Continued)

Taxation

The tax credit for the period comprises current tax only. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax credit is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in respect of the relevant years, in the countries where the company operates and generates taxable income.

Fixed asset investments

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

Financial instruments

Loans and receivables (including trade receivables) are primarily financial assets with fixed or determinable payments that are not traded in an active market. Loans and receivables are reported on the Balance Sheet under "Debtors: amounts falling due within one year." Initial measurement takes place at fair value plus transaction costs. They are subsequently measured at amortised cost, using the effective interest method. Valuation allowances are provided for identifiable individual risks. If the loss of a certain part of the receivables is probable, valuation allowances are provided to cover the expected loss.

Financial liabilities (including trade payables and borrowings) are measured at amortised cost, using the effective interest method. Initial measurement takes place at fair value net of transaction costs incurred. In subsequent periods, the amortisation and accretion of any premium or discount is included in finance costs/income.

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Inter-company balances

Inter-company payable and receivable trading balances within the E.ON SE Group (ultimate controlling party) are consolidated at each period end into a single balance with each group company. These transactions are net settled. As a result the directors consider it appropriate to present inter-company balances within these financial statements on a net basis. Formal loan balances are settled and presented gross.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet, when the Company has a legally enforceable right to set off the recognised amounts and it intends either to settle on a net basis or realise the asset and settle the liability simultaneously.

GREEN SKY ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2016 (continued)

1. Accounting Policies (Continued)

Cash and short-term deposits

Short-term deposits include cash at bank and in hand.

Functional currency

These financial statements are presented in Great British Pounds ("GBP") which is the Company's functional currency. All financial information is presented in GBP has been rounded to the nearest pound.

Related party transactions

The Company is exempt from the requirements of IAS 24 'Related Party Disclosures' to disclose related party transactions with entities that are part of the E.ON SE group or investees of E.ON SE group.

2. Operating result

Administration

All administration costs were borne by Matrix Control Solutions Limited, a subsidiary undertaking and not recharged.

There were no employees during the year (2015: none).

Auditors' remuneration for the audit of the financial statements of £nil (2015: £nil) was borne by Matrix Control Solutions Limited, a subsidiary undertaking and not recharged.

3. Interest payable and similar charges

	2016	2015
	£	£
Interest payable to group undertakings	236,330	1,078,570
Other finance charges payable to group undertakings	2,437	321,564
	238,767	1,400,134

GREEN SKY ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2016 (continued)

4. Tax on (loss) / profit on ordinary activities

	2016 £	2015 £
Current tax:		
UK corporation tax on (losses) / profits for the year	(47,754)	(283,479)
Adjustment in respect of prior periods	(19)	-
Tax credit on (loss) / profit on ordinary activities	(47,773)	(283,479)

Factors affecting tax credit for the year

The tax credit for the year is higher (2015: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2016 of 20.00% (2015: 20.25%). The differences are explained below:

	2016 £	2015 £
(Loss) / profit on ordinary activities before taxation	(238,767)	1,104,947
Tax on (loss) / profit on ordinary activities before taxation at 20.00% (2015: 20.25%)	(47,754)	223,714
Effects of:		
Dividend income not taxable	-	(1,213,120)
Goodwill impairment non tax-deductible	-	705,927
Adjustment in respect of prior periods – current tax	(19)	-
Total tax credit for the year	(47,773)	(283,479)

Reductions to the UK corporation tax rates was included in the Finance Act (No. 2) 2015 reducing the main rate to 19% from 1 April 2017. A further reduction in the UK corporation tax rate was included in the Finance Act 2016 to reduce the rate to 17% from 1 April 2020. These changes have been substantively enacted at the balance sheet date and therefore the impact of these changes has been included in these financial statements.

The corporation tax receivable has been reduced by £47,773 (2015: £283,479) because of group relief surrendered to a fellow group undertaking for which a payment will be received. Accordingly no tax losses are available for carry forward.

5. Investments

	2016 £	2015 £
Shares in group undertakings and participating interests	33,004,605	33,004,805

GREEN SKY ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2016 (continued)

5. Investments (continued)

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost or valuation		
At 1 January 2015	36,491,452	36,491,452
At 31 December 2016	36,491,452	36,491,452
Provision for impairment		
At 1 January 2015	(3,486,647)	(3,486,647)
Transfer adjustment	(200)	(200)
At 31 December 2016	(3,486,847)	(3,486,847)
Net book value		
At 31 December 2016	33,004,605	33,004,605
At 31 December 2015	33,004,805	33,004,805

Details of undertakings

Details of the investments which the Company holds or indirectly holds are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	Principal Activity
Subsidiary undertakings			
Matrix Control Solutions Limited	Ordinary shares	100%	Energy services
ACME Group Limited	Ordinary shares	100%	Dissolved 8 March 2016
ACME Technical Services Limited	Ordinary shares	100%	Dissolved 8 March 2016

All of the undertakings disclosed above are incorporated in the United Kingdom and have a registered office address of Westwood Way, Westwood Business Park, Coventry, CV4 8LG. Green Sky Energy Limited is the beneficial owner of all the equity share capital, either itself or through subsidiaries, of the above companies.

The directors believe that the carrying value of the investments is supported by their underlying net assets or trading.

During the prior year, the Company performed a restructuring exercise with the aim to remove subsidiaries no longer required. As a result of this restructuring the Company received a dividend of £2,991,728 from ACME Group Limited and then immediately impaired its investment in this subsidiary by £3,486,647 to equal the remaining net asset value. The Company also received a dividend of £3,000,000 from Matrix Control Solutions Limited during the year. On 8 March 2016, ACME Group Limited and ACME Technical Services Limited were both dissolved.

GREEN SKY ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2016 (continued)

6. Debtors

	2016 £	2015 £
Amounts owed by group undertakings	536,056	488,283

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

7. Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	6,362,088	6,363,320

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

8. Creditors: amounts falling due after more than one year

	2016 £	2015 £
Amounts owed to group undertakings	24,022,814	23,783,941

Amounts owed to group undertakings include a loan of £24,022,814 (2015: £23,783,941) which is unsecured, bears interest at a rate of LIBOR plus 50 basis points (2015: LIBOR plus 375 basis points) and is a drawdown from a credit facility of £25,000,000 (2015: £50,000,000) which has a maturity date of 14 December 2018. All other amounts are unsecured, interest free and repayable on demand.

The maturity profile of the carrying amount of the Company's long term borrowings was as follows:

	2016 £	2015 £
In more than one year, but not more than two years	24,022,814	-
In more than two years, but not more than five years	-	23,783,941
In more than five years	-	-
	24,022,814	23,783,941

9. Called up share capital

	2016 £	2015 £
Allotted, called up and fully paid		
389,562 (2015: 389,562) ordinary shares of £1.00 each	389,562	389,562

GREEN SKY ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2016 (continued)

10. Ultimate holding company

The Company is controlled by E.ON Connecting Energies GmbH. The ultimate parent undertaking and controlling party is E.ON SE, a company incorporated in Germany, which is the parent company of the largest and smallest group to consolidate these financial statements. Copies of E.ON SE's financial statements are available from the offices of E.ON SE at the following address:

E.ON SE
E.ON-Platz 1
D-40479
Dusseldorf
Germany