

Registered number: 09523066

**GREEN NETWORK ENERGY LIMITED**  
(Registered Number 09523066)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 MAY 2016 TO 31 DECEMBER 2016**



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**GREEN NETWORK ENERGY LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**                      S. Corbo (appointed 22 January 2016)  
   D.S. Tuomey (appointed 22 January 2016)  
   J. Bradshaw (appointed 22 January 2016)

**REGISTERED NUMBER**      09523066

**REGISTERED OFFICE**        New Kings Court Tollgate  
   Chandler Ford  
   Eastleigh  
   SO53 3LG

**INDEPENDENT AUDITORS** PricewaterhouseCoopers LLP  
   1 Harefield Road  
   Uxbridge  
   UB8 1EX

**BANKERS**                        Barclays Bank  
   Churchill Place  
   Canary Wharf  
   London E14 1 QE

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**GREEN NETWORK ENERGY LIMITED**

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**GREEN NETWORK ENERGY LIMITED**

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**STRATEGIC REPORT  
FOR THE PERIOD FROM 1 MAY 2016 TO 31 DECEMBER 2016**

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**INTRODUCTION**

The company was incorporated on 2 April 2015 and commenced trading on 1 March 2016. The Directors have previously presented the first set of financial statements for the period 1 April 2015 to 30 April 2016.

The directors now present their report and the financial statements for the period 1 May 2016 to 31 December 2016.

**BUSINESS REVIEW**

The results for the period and the financial position of the company are shown in the following financial statements.

The principal activity of the company is the supply of gas and electricity to UK residential electricity and gas customers.

The company started to supply electricity and gas to residential customers in November 2016 and received notification on 24 January 2017 that it had successfully completed the Controlled Market Entry requirements to supply non half hourly metering points. As a result Green Network Energy Ltd is now free to operate without restriction in the non-half hourly market sector. The company plans to start supply to small and medium enterprises in quarter three 2017.

For the period leading up to supply of customers in November, the company's main activity was to set up the company and infrastructure required to serve customers.

**FINANCIAL KEY PERFORMANCE INDICATORS**

The Key Performance Indicators of the company are Turnover, Gross Profit / (Loss), Profit / (Loss) before tax and Customer Numbers on Supply. A brief analysis of these is shown below:

	<b>8 months ending 31 December 2016</b>	<b>13 months ending 30 April 2016</b>
Turnover	£44,578	-
Gross Profit (Loss)	(£3,278)	-
Profit (Loss) before tax	(£2,258,733)	(£279,667)
Customers on Supply at period end	736	-

The variance in the Key Performance indicators for the two periods, reflects the fact that the company only began to incur start-up expenses in January 2016 and it started to recognise turnover from the supply to customers in November 2016.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties impacting the company include those associated with being a start-up company and those associated with being an energy supply company. These risks include marketing of the company to be able to attract customers; the cost of the underlying commodity (electricity and gas) and the volatility and exposure of future price increases; the ability to manage cash flow, the ability of the company to manage customer service and the ability of the company's systems to manage invoicing and financial and non-financial information.

The risk of the the cost of the underlying commodity will be mitigated through the company's parent company Green Network UK PLC which was set up in the UK in 2012 to manage the trading activity of the Green Network Group.

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**GREEN NETWORK ENERGY LIMITED**

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**STRATEGIC REPORT  
FOR THE PERIOD FROM 1 MAY 2016 TO 31 DECEMBER 2016**

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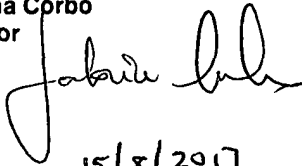
Customer service is being managed through a dedicated, experienced service provider team. Systems have been put in place which are well known and tested systems in the energy supply industry.

The Directors continue to focus their attention on building the company resources independent of its parent. This will allow the company to achieve its chief aim of being able to raise capital in its own right. Cash management will continue to be a risk until the company is either able to generate free cashflow or raise financing without the parent. It is expected that in 2017, the first full year of activity in the energy and gas market, there will be an overall loss for the company.

While the company had no external borrowing at the year-end 2016, the Directors are careful to manage capital to ensure the business grows in a sustainable manner and as a result the company will begin to seek long term debt which will be used to support the company's growth plans.

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

Sabrina Corbo  
Director



Date:

15/8/2017

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<b>GREEN NETWORK ENERGY LIMITED</b>
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**DIRECTORS' REPORT  
FOR THE PERIOD 1 MAY 2016 TO 31 DECEMBER 2016**

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The directors present their report and the financial statements for the eight month period 1 May 2016 to 31 December 2016.

**PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The principal activity of the company is the supply of gas and electricity to UK residential electricity and gas customers.

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

There are no qualifying indemnities in place in respect of directors.

**RESULTS AND DIVIDENDS**

The loss for the period, after taxation, amounted to £2,258,733 (loss of £279,667 for the 13 month period ending 30 April 2016).

No dividends have been declared or paid during the period.

**COMPANY ACT EXEMPTION**

The Directors have taken the Company Act Exemption which allows exemption from preparing a Strategic Report.

**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 period. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). Under company law the directors must not approve the financial statements unless 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- Notify the company's shareholders in writing about the use of disclosure exemption if any of FRS 102 used in 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

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**GREEN NETWORK ENERGY LIMITED**

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**DIRECTORS' REPORT  
FOR THE PERIOD 1 MAY 2016 TO 31 DECEMBER 2016**

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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.

**DIRECTORS**

The directors who served during the period and up to the date of signing the financial statements were as follows:-

Sabrina Corbo (Appointed 22 January 2016)  
David Tuomey (Appointed 22 January 2016)  
Jamie Bradshaw (Appointed 22 January 2016)

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<b>GREEN NETWORK ENERGY LIMITED</b>
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**DIRECTORS' REPORT  
FOR THE PERIOD 1 MAY 2016 TO 31 DECEMBER 2016**

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**FUTURE DEVELOPMENTS**

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

**FINANCIAL INSTRUMENTS**

**Treasury operations and financial instruments**

The Company has no financial instruments arising from its activities and operations. The Company purchases electricity and gas from its related company Green Network UK PLC to allow it to supply to its customers. The Company does not trade speculatively or otherwise with regard to derivatives or similar instruments.

**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. The company meets its day to day working capital requirements through continued financial support from the parent company Green Network UK PLC.

**Interest rate risk**

The company has no external borrowings. It has a loan agreement with Green Network PLC. This loan is unsecured, interest-free, with no fixed date of repayment and repayable on demand. Therefore, these balances have not been discounted.

**Foreign currency risk**

The company has limited foreign currency exposure. The sale of electricity and gas and the purchase of these commodities is not made in foreign currency. Dividends and management fees payable within the Green Network Group will present a foreign currency exposure which is monitored by the company.

**Credit risk**

The main credit risk of the company is with respect to amounts owned by customers for the supply of electricity and gas. The company is paid by direct debit for a large proportion of its supply. A dedicated customer service team is in place to manage any unpaid debt. A third party provided credit risk assessment will be used when the company begins to supply the small, medium enterprise sector in quarter three 2017.

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 reliant on its parent company, Green Network UK PLC supplying electricity as required. The related company is an established energy trading company and has third party agreements in place for the supply of electricity and gas.

**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.



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**GREEN NETWORK ENERGY LIMITED**

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**DIRECTORS REPORT  
FOR THE PERIOD 1 MAY 2016 TO 31 DECEMBER 2016**

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**STATEMENT OF DISCLOSURE OF INFORMATION TO INDEPENDENT AUDITORS**

As far as that 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 ought to have been 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.

**POST BALANCE SHEET EVENTS**

The company started to supply residential customers in November 2016 and received notification on 24 January 2017 that it had successfully completed the Controlled Market Entry requirements to supply non half hourly metering points. As a result Green Network Energy Ltd is now free to operate without restriction in the non half hourly market sector.

There have been no other significant events affecting the company since the year end.

**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

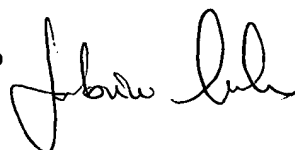
After making enquiries, the directors have a reasonable expectation that the company and the Green Network Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

**INDEPENDENT AUDITOR**

The auditors, Pricewaterhouse Coopers LLP, have indicated their willingness to continue in office and a resolution confirming their reappointment will be proposed at the Annual General Meeting.

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

Sabrina Corbo  
Director



Date:

15/8/2017

## ***Independent auditors' report to the members of Green Network Energy Limited***

### **Report on the financial statements**

#### **Our opinion**

In our opinion, Green Network 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 and cash flows for the 8 month period (the "period") 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 Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 December 2016;
- the Statement of Comprehensive income for the period then ended;
- the Statement of Cash Flows for the period then ended;
- the Statement of Changes in Equity for the period 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 period 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.

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## GREEN NETWORK ENERGY LIMITED

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### 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.

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## Responsibilities for the financial statements and the audit

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### Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3 and 4, 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.

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### 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.



John Dashwood (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Uxbridge

16<sup>th</sup> August 2017

**GREEN NETWORK ENERGY LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE EIGHT MONTHS ENDED 31 DECEMBER 2016**

		<b>8 Months Ended 31 December 2016</b>	<b>13 Months Ended 30 April 2016</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
Turnover	3a	44,578	-
Cost of sales	3b	(47,856)	-
<b>Gross loss</b>		<b>(3,278)</b>	<b>-</b>
Administrative expenses		(2,255,455)	(279,667)
<b>Loss on ordinary activities before interest and taxation</b>	<b>3c</b>	<b>(2,258,733)</b>	<b>(279,667)</b>
Interest receivable and similar income		-	-
Interest payable and similar charges		-	-
<b>Loss on ordinary activities before taxation</b>		<b>(2,258,733)</b>	<b>(279,667)</b>
Taxation on profit on ordinary activities	7		
<b>Loss for the financial year</b>		<b>(2,258,733)</b>	<b>(279,667)</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(2,258,733)</b>	<b>(279,667)</b>

The accompanying accounting policies and notes on pages 13 to 23 form an integral part of these financial statements.

Since the company was incorporated on 1 April 2015. The above statement is prepared from 1 May 2016 to 31st December 2016

**GREEN NETWORK ENERGY LIMITED**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016**

	Note	31 December 2016 £	30 April 2016 £
<b>Fixed assets</b>			
Tangible assets	8	242,804	101,500
		242,804	101,500
<b>Current assets</b>			
Debtors due within one year	9	202,856	80,956
Cash at bank and in hand	10	9,778	-
		212,634	80,956
Creditors: Amounts falling due within one year	11	(2,993,837)	(462,122)
<b>Net current assets</b>		<b>(2,781,203)</b>	<b>(381,166)</b>
<b>Total assets less current liabilities</b>		<b>(2,538,399)</b>	<b>(279,666)</b>
Creditors: Amounts falling due after more than one year			
<b>Net assets</b>		<b>(2,538,399)</b>	<b>(279,666)</b>
<b>Capital and reserves</b>			
Called up share capital	13	1	1
Retained Earnings		(2,538,400)	(279,667)
		<b>(2,538,399)</b>	<b>(279,666)</b>

The financial statements on pages 9 to 12 were approved and authorised for issue by the board and were signed on its behalf by:

Sabrina Corbo  
Director

Date:

Sabrina Corbo

15/8/2017

The accompanying accounting policies and notes on pages 13 to 23 form an integral part of these financial statements. Since the company was incorporated on 1 April 2015. The above statement is prepared from 1 May 2016 to 31st December 2016

**GREEN NETWORK ENERGY LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2016**

	Share capital £	Retained earnings £	Total equity £
<b>Balance at 1 May 2016</b>	1	(279,667)	(279,666)
<b>Comprehensive income for the period</b>			
Loss for the period	-	(2,258,733)	(2,258,733)
<b>Total comprehensive income for the period</b>	-	(2,258,733)	(2,258,733)
<b>Balance at 31 December 2016</b>	<u>1</u>	<u>(2,538,400)</u>	<u>(2,538,399)</u>

The accompanying accounting policies and notes on pages 13 to 23 form an integral part of these financial statements.

**GREEN NETWORK ENERGY LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE EIGHT MONTHS ENDED 31 DECEMBER 2016**

	8 Months Ending 31 December 2016 £	13 Months Ending 30 April 2016 £
<b>Cash flows from operating activities</b>		
(Loss) for the year	(2,258,733)	(279,667)
<b>Adjustments for:</b>		
Taxation	-	-
Depreciation and amortisation	4,115	
(Increase) in debtors	(121,900)	(80,956)
Increase in Trade creditors	192,831	685
Increase in related party creditors and accrued costs	2,338,884	461,437
<b>Net cash generated from operating activities</b>	<b>155,197</b>	<b>101,499</b>
Purchase of tangible fixed assets	(145,419)	(101,500)
Share capital receipts		1
<b>Net cash from investing activities</b>	<b>(145,419)</b>	<b>(101,499)</b>
<b>Cash flows from financing activities</b>		
Interest paid	-	-
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>		
Cash and cash equivalents at beginning of period	-	-
<b>Cash and cash equivalents at the end of period</b>	<b>9,778</b>	<b>-</b>
Cash at bank and in hand	9,778	-
	<b>9,778</b>	<b>-</b>

The accompanying accounting policies and notes on pages 13 to 23 form an integral part of these financial statements.

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**GREEN NETWORK ENERGY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE EIGHT MONTHS ENDED 31 DECEMBER 2016**

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**1. GENERAL INFORMATION**

Green Network Energy Limited is a company registered in England and Wales under registration number 09523066. The registered office is New Kings Court Tollgate, Chandlers Ford, Eastleigh, SO53 3LG. Its principal trading address is 5<sup>th</sup> floor, St Martin's Court, Paternoster Row, London, EC4M 7HP. The nature of the company's operations is the supply of electricity and gas.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention and, where applicable, fair value accounting, in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies.

**Going concern**

The company meets its day to day working capital requirements through continued financial support from the parent company Green Network Italia SpA. 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 concern basis of accounting in preparing the financial statements.

The following principal accounting policies have been applied:

**2.2 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 and gas are supplied.

**2.3 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



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**GREEN NETWORK ENERGY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE EIGHT MONTHS ENDED 31 DECEMBER 2016**

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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 bases:*

Computer Systems	-	20%	straight line
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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 within 'administrative expenses' in the Statement of Comprehensive Income.

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**GREEN NETWORK ENERGY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE EIGHT MONTHS ENDED 31 DECEMBER 2016**

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**2.4 DEBTORS**

Short term debtors are measured at transaction price, less any impairment for expected bad debt

**2.5 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

**2.6 CREDITORS**

Short term creditors are measured at the transaction price.

**2.7 FOREIGN CURRENCY TRANSLATION**

**Functional and presentation currency**

The company's functional and presentational currency is GB Sterling.

**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.

**2.8 FINANCE LOAN**

The company has no external debt. Borrowings from its Parent Company Green Network UK PLC are interest free.

**2.9 TAXATION**

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income. Current taxation assets and liabilities are not discounted.

**GREEN NETWORK ENERGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE EIGHT MONTHS ENDED 31 DECEMBER 2016**

**3a. TURNOVER**

An analysis of turnover by geographic delivery location is as follows:

	<b>8 months ended 31 December 2016 £</b>	<b>13 Months ended 30 April 2016 £</b>
United Kingdom	44,578	-
<b>TOTAL</b>	<b>44,578</b>	<b>-</b>

All Turnover arose from the company's principal activity

**3b. COST OF SALES**

An analysis of cost of sales by geographic delivery location is as follows:

	<b>8 months ended 31 December 2016 £</b>	<b>13 Months ended 30 April 2016 £</b>
United Kingdom	47,856	-
<b>TOTAL</b>	<b>47,856</b>	<b>-</b>

All cost of sales arose from the company's principal activity

<b>GREEN NETWORK ENERGY LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE EIGHT MONTHS ENDED 31 DECEMBER 2016**

**3c. ADMINISTRATIVE EXPENSES**

	<b>8 Months ended 31 December 2016 £</b>	<b>13 Months ended 30 April 2016 £</b>
Consultancy Fees	302,964	46,000
Employee Costs	1,000,676	78,000
Other Operating expenses	941,815	149,667
Fees payable to the company's auditor for the audit of the company's annual accounts	10,000	6,000
<b>TOTAL</b>	<b><u>2,255,455</u></b>	<b><u>279,667</u></b>

**4. AUDITORS' REMUNERATION**

	<b>£</b>	<b>£</b>
Fees payable to the company's auditor for the audit of the company's annual accounts	10,000	6,000
<b>TOTAL</b>	<b><u>10,000</u></b>	<b><u>6,000</u></b>

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**GREEN NETWORK ENERGY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE EIGHT MONTHS ENDED 31 DECEMBER 2016**

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**5. EMPLOYEES**

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

	<b>8 Month ended 31 December 2016 £</b>	<b>13 Months ended 30 April 2016 £</b>
Wages and salaries	816,866	69,989
Social security costs	107,270	8,121
Staff accommodation	2,660	-
<b>TOTAL</b>	<b><u>926,796</u></b>	<b><u>78,110</u></b>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>No.</b>	<b>No.</b>
Administration - directors	3	3
Staff	<u>16</u>	<u>5</u>
<b>TOTAL</b>	<b><u>19</u></b>	<b><u>8</u></b>

**6. DIRECTORS' REMUNERATION**

Directors Remuneration is incurred by another group company and is not recharged by the entity

**GREEN NETWORK ENERGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE EIGHT MONTHS ENDED 31 DECEMBER 2016**

**7. TAXATION**

	<b>8 Months ending 31 December 2016 £</b>	<b>13 Months ending 30 April 2016 £</b>
<b>Corporation tax</b>		
Charge for the period	-	-
<b>Total taxation charge</b>	-	-
<b>Reconciliation of Corporation Tax</b>		
	£	£
Loss on ordinary activities before tax	<u>(2,258,733)</u>	<u>(279,667)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20%	(451,747)	(55,933)
Total taxation adjustments	451,747	55,933
<b>Total tax charge for the period</b>	-	-

A potential tax asset of £507,680 has been identified based on the operating loss of the company for period 13 months ending 30 April 2016 of £279,667 and months ending 31<sup>st</sup> December 2016 of £2,258,733. Management have made an assessment of the recoverability of this asset and have deemed it prudent not to recognise this amount within the financial statements as it is their view that there is insufficient evidence to show it is probable that the company will be able to benefit from the utilisation of the asset. The position will be reassessed in the following year.

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

A change in the UK corporation tax rate from 20 per cent to 19 per cent is effective from 1 April 2017, and to 18 per cent starting from 1 April 2020. A further change to the UK corporation tax rate has been announced, which proposes to reduce the rate by a further 1 per cent to 17 per cent from 1 April 2020. The Finance Act which includes this change had not been substantively enacted at the balance sheet date and therefore the rate change cannot be recognised in these financial statements.

**GREEN NETWORK ENERGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**8. TANGIBLE FIXED ASSETS**

	<b>Computer Systems</b>	<b>Total</b>
	£	£
<b>Cost or valuation</b>		
At 1 May 2016	101,500	101,500
Additions	145,419	145,419
<b>At 31 December 2016</b>	<u>246,919</u>	<u>246,919</u>
<b>Depreciation</b>		
At 1 May 2016	-	-
Charge for the period	4,115	4,115
<b>At 31 December 2016</b>	<u>4,115</u>	<u>4,115</u>
At 1 May 2016	<u>101,500</u>	<u>101,500</u>
<b>At 31 December 2016</b>	<u><b>242,804</b></u>	<u><b>242,804</b></u>

**GREEN NETWORK ENERGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**9. DEBTORS**

	31 December 2016 £	30 April 2016 £
<b>Due within one year</b>		
Prepayments and accrued income	122,381	41,080
Other debtors	80,475	39,876
	<u>202,856</u>	<u>80,956</u>
<b>TOTAL</b>		

**10. CASH AND CASH EQUIVALENTS**

	31 December 2016 £	30 April 2016 £
Cash at bank and in hand	£9,778	-
<b>TOTAL</b>	<u>£9,778</u>	<u>-</u>

**11. CREDITORS: Amounts falling due within one year**

	31 December 2016 £	30 April 2016 £
Trade creditors	193,516	685
Parent company loan	2,256,582	454,105
Corporation tax	-	-
Other taxation and social security	182,332	-
Accrued costs from group undertakings	-	-
Accruals and deferred income	360,561	6,000
Other creditors	846	1,332
Financial liabilities - derivative financial instruments	-	-
<b>TOTAL</b>	<u>2,993,837</u>	<u>462,122</u>

Amounts owed to group undertakings and the loan from the parent company are unsecured, interest-free, have no fixed date of repayment and repayable on demand. Therefore, these balances have not been discounted.



**GREEN NETWORK ENERGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**12. FINANCIAL INSTRUMENTS**

The table below sets out the company's FRS 102 classification of each of its financial assets and liabilities at 31 December 2016.

	31 December 2016 £	30 April 2016 £
<b>Financial assets</b>		
Financial assets	182,265	80,956
	<u>182,265</u>	<u>80,956</u>
<b>Financial liabilities</b>		
Financial liabilities	2,963,468	462,122
<b>Net Financial liabilities</b>	<u><u>2,781,203</u></u>	<u><u>381,166</u></u>

Financial assets comprise cash, short- term deposits, short term trade debtors, prepayments and other debtors.

Financial liabilities comprise short term trade and other creditors, including amounts owed to group companies and accruals. Refer to paragraph 11 for further details.

**13. SHARE CAPITAL**

	31 December 2016 £	30 April 2016 £
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

**14. COMMITMENTS UNDER OPERATING LEASES**

The Company had no Operating leases during the period 1 May 2016 to 31 December 2016 (30 April 2016 nil).

**15. 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 more members of a group, as the company is a wholly owned subsidiary of the group to which it is a party to the transactions.

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**GREEN NETWORK ENERGY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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The company had no related party transactions with parties not wholly owned by the group during the year:

The company had the following transactions with Orsa Saiwai Limited, a company incorporated in the United Kingdom, of which the director, David Tuomey, is also a director:

	31 December 2016	30 April 2016
	£	£
Statement of financial position Liabilities	22,407	-
Income Statement Administration Costs	96,085	46,000

The company has a financial loan amounting to £2,256,582 as of 30 April 2016 with his immediate parent Green Network UK PLC. The loan is interest free and repayable on demand.

**16. CONTROLLING PARTY**

The immediate parent company is Green Network UK PLC, a company incorporated in the U.K. The ultimate parent company is SC Holdings Srl, a company incorporated in Italy.

The smallest and largest group in which the results of Green Network Trading 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  
Rome  
C.A.P 00198  
Italy

**17. POST BALANCE SHEET EVENTS**

The company started to supply gas and electricity to residential customers in November 2016 and received notification on 24 January 2017 that it had successfully completed the Controlled Market Entry requirements to supply Non Half Hourly metering points. As a result Green Network Energy Ltd is now free to operate without restriction in the Non Half Hourly market sector.