

Company Registration No 4194006 (England & Wales)

GREEN ENERGY (UK) PLC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2007



mercer&hole

GREEN ENERGY (UK) PLC

COMPANY INFORMATION

Directors	R Dunning D Stewart Sir Peter Thompson
Secretary	Lawgram Secretaries Limited
Company number	4194006
Registered office	4 More London Riverside London SE1 2AU
Auditors	Mercer & Hole Silbury Court, 420 Silbury Boulevard Central Milton Keynes Buckinghamshire MK9 2AF

GREEN ENERGY (UK) PLC

CONTENTS

	Page
Chairman's statement	1
Chief Executive Officer's statement	2 - 4
Directors' report	5 - 6
Independent auditors' report	7 - 8
Profit and loss account	9
Balance sheet	10
Cash flow statement	11
Notes to the cash flow statement	12
Notes to the financial statements	13 - 20

GREEN ENERGY (UK) PLC

Chairman's statement

Highlights

Trading profit - £99k, last year loss of £500k
First electricity company to reduce prices in 2007
Customer Service Centre staffed by own employees
Start made on repayment of loans

General

This has been a good recovery year for Green Energy with the company recording its first significant profit since its inception in 2002. This has meant that a start could be made in repaying the loans that the Directors have made to support the company's development. How this has been achieved is detailed in the Chief Executive's report.

Value

The company still holds fast to the values on which it was founded ie encouragement of the provision of genuinely renewable energy, at fair prices, open communication with our suppliers and investors and sharing the success through free share ownership with our loyal customers. Again, progress in all these points are detailed in the Chief Executive's Report.

Dividends

I am afraid it will be some years yet before the company can be paying dividends as it has to clear out of the balance sheet past losses, until it has distributable reserves available. However, the Board will keep this issue under review.

Board and employee issues

The team is small, thus keeping the overheads low. The Board of Directors remains the same but we have utilised external support to help us with the profitable growth of the company. We have also established a small team who are responsible for customer servicing and billing. These functions were previously contracted out but we felt it is important that the direct contact with our customers should be under our control.

The Future

New supply contracts have been negotiated which means our development will not be hampered by renewable energy supply. Having refreshed our administrative and financial controls, we are now turning our full energies to marketing activities which will enable the company to grow at a faster pace.

The outlook looks good but the energy market is intensively volatile and it is a foolish man who predicts with confidence the future. However, we have taken all steps possible to forward purchase our supplies.

I would like to thank our small, dedicated team ably led by Douglas Stewart, the Chief Executive, our future success is in their good hands.



Sir Peter Thompson
Chairman

11 October 2007

GREEN ENERGY (UK) PLC

Chief Executive Officer's statement

Moving forward

We have a much stronger and healthier company coming out of the year than we had going in

We will now be turning our attention towards growth but we'll stick to our original principals of only talking to people who want to talk to us, and we will not be employing doorstep sales staff. We'll be launching a number of initiatives designed to drive more customers to our website and allow you, our customers, to recommend friends, colleagues and family with less effort.

Green credentials

We have watched the Oil, Gas and Nuclear Multinationals slowly wake up to the green market so we have been working hard in the background to maintain our unique and independent green status and remain one step ahead of the game.

We always knew that as we approached 2010 the attraction of our GE10 tariff would be eroded as the government's renewable obligation required all suppliers to buy an increasing proportion of their energy from green sources. We changed GE10 to GE+10 in 2004 to ensure we were always buying a significantly higher proportion of green than our obligation, the idea being that by 2010 we would be buying 20% green - where the Government wanted to be in 2020!

However, we've done much better than that. Our green purchases have been creeping up to the point where we are delighted to advise that last year as a company we stopped buying brown energy altogether, all the power we bought last year came from green sources, some pale, some deep, but all green.

This increasing content of pale green energy provides value for money, remains competitive and continues to provide our shareholder customers and prospective customers with a choice of tariffs and costs. It also holds true to our original aims when we set the company up, to be able to provide differential tariffs to customers on different budgets, it means we can continue to appeal to a broad church of customers.

Operations

The actions we took during the year mean the business is now far stronger and less exposed to fluctuations on the energy markets. We now have the ability to buy forward in the market to eliminate any short term exposure.

As a result we are hedged a full quarter in advance with a diminishing proportion bought forward for the balance of the year. Our market exposure is now no more than normal commercial risk. Had we had this level of risk management in 2005 we would have had a much smoother ride through the volatility of that November's market - and so would our billing partner. With the benefit of hind sight that's pretty galling but we feel the events were unforeseen and unforeseeable.

All of this has provided the confidence to invest further in people and systems and as indicated in last year's statement, during the year under review, we have moved premises and recruited a customer service, billing and data management team where previously these activities had been outsourced.

This allows us much greater control of the handling of our customers and the expression and reinforcement of the values on which the business is based. We don't operate telephone queuing machines that offer customers 'press 1, 2 or 3' options, we offer them people to speak to and we strive to make sure we don't have long waiting times.

We have reached a scale that makes it possible to take on all these areas, but I hope we are still small enough to remain friendly, personal and flexible in our approach to customers. Our biggest challenge will be to retain these values far into the future.

GREEN ENERGY (UK) PLC

Chief Executive Officer's statement

Pricing

On the customer side the forward purchasing mentioned above means we have far more visibility of the market and can take positions that iron out major fluctuations in energy prices thus eliminating any see-saw in pricing

In line with our desire to be as transparent as possible in our operations, we continued to monitor prices for any indications that they were coming down and staying down. In December we felt confident enough about our forward position to be the first electricity company to reduce its prices in 2007. This is made all the more impressive when you consider we have always followed the market and been the last to increase our prices.

Financial performance

Turnover grew by 52% to £3,284,000 again without expensive media expenditure but also during the period of business disruption referred to above where no significant proactive marketing activity took place. Once again the recommendations from our existing customers have significantly contributed to steadily developing the business.

We have kept a tight reign on our cost base and have managed the transition from outsourcing to in-house by looking carefully where efficiency gains could be made without compromising service. This has continued beyond the financial year end and the combination of greater scale and volume without a proportionate increase in the cost base has led to the improvement in profitability.

In returning to profitability the business has reported its first significant result since inception.

Generation

The energy supply side of the green market is as important to us as the customer demand and we have continued to support the growth of emerging technologies. The facilitation of small-scale generation continues and we have entered into further contracts for more 'interesting energy'.

This year saw us add further Power Purchase Agreements (PPA) to our mix of energy which now comes from a heady cocktail of

- Combined Heat and Power (CHP) - Good Quality CHP which qualifies under Ofgem's regulations as
- Climate Levy Exempt
- Pig Waste
- Organic Waste Gasification
- Wood Chip and Sawmill Waste Biomass Generation
- Waste Cooking Oil
- Solar
- Small-Scale Hydro
- And Wind

We are not a wind company although that would be most people's visual image of a green energy company. But what do you do when the wind doesn't blow? We have no such problem - as you can see, wind is only a small part of what we buy. Our fuel mix reinforces our credentials as a renewable energy company.

In addition to these PPAs, we have committed to buy electricity from demolition waste as well as a small tidal scheme. We continue to explore wider avenues of renewable energy supplies and are in continuing discussions regarding further tidal and solar projects.

All of this puts us at the forefront of supporting independent generators who utilise innovative and emerging technologies. This is key to developing alternatives to traditional fossil fuels.

GREEN ENERGY (UK) PLC

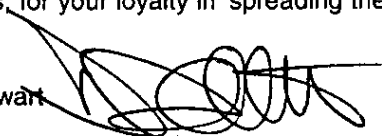
Chief Executive Officer's statement

Conclusion

In line with our undertaking in our initial prospectus the Directors have again taken only limited remuneration from the company. In addition the provision of further additional capital in the way of loans is an indication of their belief in the value that has built up over the last 5 years and their positive outlook for the future. Now that the company has returned to profitability we look forward to continued growth in customer numbers, turnover and profitability.

And I would like to add my own thanks to those of Sir Peter to the increased and dedicated team of employees who have built our customer service offering over the last year. We also thank you, our shareholders, for your loyalty in 'spreading the word' to provide more new customer leads. Please continue the good work.

Douglas Stewart



Chief Executive Officer

11 October 2007

GREEN ENERGY (UK) PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2007

The directors present their report and financial statements for the year ended 30 April 2007

Principal activities and review of the business

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

The directors are satisfied with the results for the year and expect significant further growth in the following year

Results and dividends

The results for the year are set out on page 9

Renewable Energy

The company's policy is to purchase its green electricity only from generators that have been awarded a Climate Change Levy Exemption Certificate after independent verification by OFGEM

Financial Instruments

The main risks arising from the company's activities are credit risk and liquidity risk. These are monitored by the board of directors and were not considered to be significant at the balance sheet date

The company's policy in respect of credit risk is to require appropriate credit checks on potential customers. The company's policy in respect of liquidity risk is to maintain a mixture of short term debt finance and readily accessible bank deposit accounts to ensure the company has sufficient funds for operations. The cash deposits are held in current accounts which earn interest at a floating rate. Debt is maintained at fixed and floating interest rates.

Directors

The following directors have held office since 1 May 2006

R Dunning

D Stewart

Sir Peter Thompson

Creditor payment policy

The company will follow its code on payment practice, known as "Bill Code", during the next year. This code is available at our registered office and sets out the company's policy of settling terms of payment with its suppliers when agreeing the terms of transactions and of ensuring suppliers are made aware of them. The company has a successful record of abiding by the terms of "Bill Code" and this is expected to continue.

The number of average days purchases of the company represented by trade creditors at 30 April 2007 was 27 days (2006 - 29 days)

Auditors

Mercer & Hole were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting

GREEN ENERGY (UK) PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2007

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

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

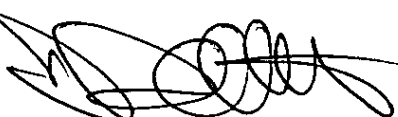
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) 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.

On behalf of the board



D Stewart

Director

11 October 2007

GREEN ENERGY (UK) PLC

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF GREEN ENERGY (UK) PLC

We have audited the financial statements of Green Energy (UK) Plc for the year ended 30 April 2007 set out on pages 9 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the Statement of Directors' Responsibilities on page 6, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records or, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

GREEN ENERGY (UK) PLC

INDEPENDENT AUDITORS' REPORT (CONTINUED)

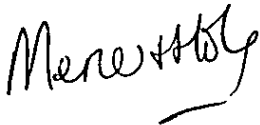
TO THE SHAREHOLDERS OF GREEN ENERGY (UK) PLC

Opinion

In our opinion

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 2007 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Mercer & Hole



12th October 2007

Chartered Accountants

Registered Auditor

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

GREEN ENERGY (UK) PLC

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2007

	Notes	2007 £	2006 £
Turnover	2	3,284,259	2,155,600
Cost of sales		(2,703,817)	(2,161,242)
Gross profit/(loss)		580,442	(5,642)
Administrative expenses		(413,480)	(512,298)
Operating profit/(loss)	3	166,962	(517,940)
Other interest receivable and similar income	4	328	57
Interest payable and similar charges	5	(67,368)	(26,413)
Profit/(loss) on ordinary activities before taxation		99,922	(544,296)
Tax on profit/(loss) on ordinary activities	6	(62)	-
Profit/(loss) for the year	12	99,860	(544,296)

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

There are no recognised gains and losses other than those passing through the profit and loss account

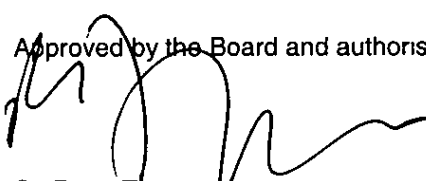
GREEN ENERGY (UK) PLC

BALANCE SHEET

AS AT 30 APRIL 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	7		16,345		7,944
Current assets					
Debtors	8	945,694		859,857	
Cash at bank and in hand		4,302		148,623	
		<u>949,996</u>		<u>1,008,480</u>	
Creditors. amounts falling due within one year	9	<u>(745,085)</u>		<u>(930,970)</u>	
Net current assets			204,911		77,510
Total assets less current liabilities			221,256		85,454
Creditors: amounts falling due after more than one year	10		<u>(634,776)</u>		<u>(598,834)</u>
			<u>(413,520)</u>		<u>(513,380)</u>
Capital and reserves					
Called up share capital	11		51,366		51,366
Profit and loss account	12		<u>(464,886)</u>		<u>(564,746)</u>
Shareholders' funds	13		<u>(413,520)</u>		<u>(513,380)</u>

Approved by the Board and authorised for issue on 11 October 2007


Sir Peter Thompson
Director


Ramsay Dunning
Director

GREEN ENERGY (UK) PLC

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2007

	£	2007 £	£	2006 £
Net cash inflow from operating activities		(44,342)		(241,573)
Returns on investments and servicing of finance				
Interest received	328		57	
Interest paid	(67,368)		(26,413)	
Net cash inflow for returns on investments and servicing of finance		(67,040)		(26,356)
Capital expenditure				
Payments to acquire tangible assets	(12,444)		(2,596)	
Net cash inflow for capital expenditure		(12,444)		(2,596)
Net cash inflow before management of liquid resources and financing		(123,826)		(270,525)
Financing				
Issue of ordinary share capital	-		303	
Other new long term loans	35,942		399,697	
Net cash outflow from financing		35,942		400,000
Increase/(decrease) in cash in the year		(87,884)		129,475

GREEN ENERGY (UK) PLC

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2007

1 Reconciliation of operating profit/(loss) to net cash outflow from operating activities		2007	2006
		£	£
Operating profit/(loss)		166,962	(517,940)
Depreciation of tangible assets		4,043	3,331
Increase in debtors		(85,837)	(358,532)
(Decrease)/Increase in creditors within one year		(129,510)	631,568
Net cash outflow from operating activities		(44,342)	(241,573)

2 Analysis of net debt	1 May 2006	Cash flow	Other non-cash changes	30 April 2007
	£	£	£	£
Net cash				
Cash at bank and in hand	148,623	(144,321)	-	4,302
Bank overdrafts	(155,330)	56,437	-	(98,893)
	<u>(6,707)</u>	<u>(87,884)</u>	<u>-</u>	<u>(94,591)</u>
Bank deposits	-	-	-	-
Debt				
Debts falling due after one year	(598,834)	(35,942)	-	(634,776)
Net debt	(605,541)	(123,826)	-	(729,367)

3 Reconciliation of net cash flow to movement in net debt	2007	2006
	£	£
(Decrease)/increase in cash in the year	(87,884)	129,475
Cash inflow from increase in debt	(35,942)	(598,834)
Movement in net debt in the year	(123,826)	(469,359)
Opening net debt	(605,541)	(136,182)
Closing net debt	(729,367)	(605,541)

GREEN ENERGY (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Computer equipment	33 33% straight line
Fixtures, fittings & equipment	20% straight line

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met

The deferred tax balance has not been discounted

2 Turnover

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

GREEN ENERGY (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2007

3	Operating profit/(loss)	2007	2006
		£	£
	Operating profit/(loss) is stated after charging		
	Depreciation of tangible assets	4,043	3,331
	Auditors' remuneration	5,050	14,000
	Remuneration of auditors for non-audit work	1,500	-
		<u> </u>	<u> </u>
4	Investment income	2007	2006
		£	£
	Bank interest	328	57
		<u> </u>	<u> </u>
5	Interest payable	2007	2006
		£	£
	On bank loans and overdrafts	12,280	13,488
	Other interest	55,088	12,925
		<u> </u>	<u> </u>
		<u>67,368</u>	<u>26,413</u>

GREEN ENERGY (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2007

6 Taxation	2007	2006
	£	£
Domestic current year tax		
U K corporation tax	62	-
	<u>62</u>	<u>-</u>
Current tax charge	<u>62</u>	<u>-</u>
 Factors affecting the tax charge for the year		
Profit/(loss) on ordinary activities before taxation	99,922	(544,296)
	<u>99,922</u>	<u>(544,296)</u>
 Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2006 - 19.00%)	18,985	(103,416)
	<u>18,985</u>	<u>(103,416)</u>
 Effects of		
Depreciation add back	768	633
Capital allowances	(944)	(414)
Tax losses utilised	(18,747)	-
Other tax adjustments	-	103,197
	<u>(18,923)</u>	<u>103,416</u>
 Current tax charge	<u>62</u>	<u>-</u>

GREEN ENERGY (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2007

7 Tangible fixed assets

	Computer Equipment	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 May 2006	8,544	3,194	11,738
Additions	9,714	2,731	12,445
	<hr/>	<hr/>	<hr/>
At 30 April 2007	18,258	5,925	24,183
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 May 2006	3,035	760	3,795
Charge for the year	2,885	1,158	4,043
	<hr/>	<hr/>	<hr/>
At 30 April 2007	5,920	1,918	7,838
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 April 2007	12,338	4,007	16,345
	<hr/>	<hr/>	<hr/>
At 30 April 2006	5,509	2,435	7,944
	<hr/>	<hr/>	<hr/>

8 Debtors

	2007	2006
	£	£
Trade debtors	564,826	408,009
Other debtors	268,858	271,180
Prepayments and accrued income	112,010	180,668
	<hr/>	<hr/>
	945,694	859,857
	<hr/>	<hr/>

GREEN ENERGY (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2007

9 Creditors: amounts falling due within one year	2007 £	2006 £
Bank loans and overdrafts	98,893	155,330
Trade creditors	518,818	608,857
Corporation tax	62	-
Other taxes and social security costs	8,009	-
Directors' current accounts	57,972	-
Other creditors	341	-
Accruals and deferred income	60,990	166,783
	<u>745,085</u>	<u>930,970</u>

The bank overdraft of £98,893 (2006 £155,330) is secured by a fixed and floating charge over the assets of the company and a personal guarantee given by the directors up to a value of £80,000

10 Creditors: amounts falling due after more than one year	2007 £	2006 £
Other loans	<u>634,776</u>	<u>598,834</u>
Analysis of loans		
Wholly repayable within five years	<u>634,776</u>	<u>598,834</u>
	<u>634,776</u>	<u>598,834</u>
Loan maturity analysis		
In more than two years but not more than five years	<u>692,747</u>	<u>598,834</u>

GREEN ENERGY (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2007

11 Share capital	2007 £	2006 £
Authorised		
'A' Ordinary shares of £0 001 each	50,000	50,000
'B' Ordinary shares of £0 001 each	50,000	50,000
	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
'A' Ordinary shares of £0 001 each	50,000	50,000
'B' Ordinary shares of £0 001 each	1,366	1,366
	<u>51,366</u>	<u>51,366</u>

During the year, the company issued nil (2006 - 303,350) Ordinary 'B' shares of £0 001 each for a total consideration of £nil (2006 - £303 35). No Ordinary 'B' shares were redeemed.

'B' Ordinary shares have been set aside for issue to customers. The first 1,000 customers will receive 1,000 'B' Ordinary shares of £0 001 each, and the first 100,000 customers will receive 400 'B' Ordinary shares of £0 001 each. The directors may, at their discretion, issue an additional 1,000 shares to customers they deem to be key to the business.

'B' Ordinary shares may be redeemed, at the option of the company, for a total of £0 01 for the customers' entire shareholding if the customer does not remain a customer of the company for three consecutive calendar years after the date of allotment.

The directors are personally responsible to pay up in full, the nominal value of customers' 'B' Ordinary shares as and when they are allotted, without recourse to the customer. The directors will have no rights over the customer shares.

The rights of each class of share vary and full details of these are outlined in the articles of association. However, the main difference is that 'B' ordinary shareholders have no rights to receive any monies on the winding up of the company.

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 May 2006	(564,746)
Profit for the year	99,860
	<u>(464,886)</u>
Balance at 30 April 2007	<u>(464,886)</u>

GREEN ENERGY (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2007

13 Reconciliation of movements in shareholders' funds	2007	2006
	£	£
Profit/(Loss) for the financial year	99,860	(544,296)
Proceeds from issue of shares	-	303
Net addition to/(depletion in) shareholders' funds	99,860	(543,993)
Opening shareholders' funds	(513,380)	30,613
Closing shareholders' funds	(413,520)	(513,380)

14 Financial commitments

At 30 April 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 April 2008

	Land and buildings	
	2007	2006
	£	£
Operating leases which expire in over five years	18,500	-

15 Directors' emoluments	2007	2006
	£	£
Emoluments for qualifying services	89,249	-

GREEN ENERGY (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2007

16 Employees

Number of employees

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

2007 Number	2006 Number
8	-

Employment costs

	2007 £	2006 £
Wages and salaries	199,952	-
Social security costs	10,043	-
	209,995	-

17 Control

The company is controlled by the board of directors

18 Related party transactions

Douglas Stewart Limited, of whom Douglas Stewart and Sir Peter Thompson are both directors, during the year recharged Green Energy (UK) Plc £160,787 (2006 - £330,384) for the supply of office and administration services and support on an arm length's basis

At 30 April 2007, an amount of £12,481 (2006 - £15,137) was payable to R Dunning, an amount of £634,776 (2006 - £514,000) was payable to Sir Peter Thompson and his wife and an amount of £45,490 (2006 - £70,000) was payable to D Stewart. This is the maximum outstanding during the year