

Company Registration No. 4194006 (England & Wales)

**GREEN ENERGY (UK) PLC**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2009**

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**GREEN ENERGY (UK) PLC**

**COMPANY INFORMATION**

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<b>Directors</b>	D Stewart Sir Peter Thompson T J Smith (Appointed 4 November 2008)
<b>Secretary</b>	Aldbury Secretaries Limited
<b>Company number</b>	4194006
<b>Registered office</b>	6 Peerglow Centre Marsh Lane Ware SG12 9QL
<b>Auditors</b>	Mercer & Hole Silbury Court, 420 Silbury Boulevard Central Milton Keynes Buckinghamshire MK9 2AF

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**GREEN ENERGY (UK) PLC**

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## GREEN ENERGY (UK) PLC

### Chairman's statement

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#### Highlights

**Turnover up 50% to £5.1M, last year £3.4M.**  
**Trading profit up 39% to £291K, last year £209K.**  
**Increase in cash position.**  
**Borrowing reduced by £167,000.**  
**Strong growth in customer numbers.**

We have maintained our course with solid growth in customer numbers, turnover and profitability. These positive steps forward have allowed us to finally clear the past losses. We now have a firm basis to build long term growth and stability for our customers and shareholders. How these results have been achieved is detailed in the Chief Executive's Report.

Last year it was the energy markets that were volatile - this year the economy as a whole was an added ingredient that served to keep everyone on their toes. When we cited political, market, global and policy influences serving to make it one of the most volatile economic times in living memory we had not reckoned on the full extent of the downturn we have since experienced.

**Our risk strategy of reducing our exposure to short term movements in the energy markets has continued to provide benefits.**

We should not underestimate the achievement of recovering the 2005/6 losses and paying down the loans that were required to finance the business at that time. We have seen a further reduction in borrowings of £167,000. The continued progress confirms the faith we had in the business proposition at the outset and when providing further working capital when it was required.

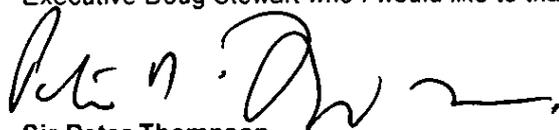
Our continued vigilance on cost and credit control has seen profits rise to £291,000. This again means the company is in much better shape coming out of the year and we have a third profitable year of steady progress in a far from steady economy.

**We have continued to be a strong advocate for small-scale generation and emerging technologies.**

We now have over 92 generators working with us to ensure we are able to deliver green electricity to all of our customers. The broad spread of technologies is an integral part of balancing our supply portfolio.

During the year Ramsay Dunning a founding shareholder and director offered his resignation which the board reluctantly accepted; this was announced at last years AGM. I would like to thank Ramsay for his efforts in the early years of the business and we wish him well with his future activities.

The New Year has started well, if the company continues its progress we hope to find ways of sharing the profit growth with our loyal customers next year. Our involvement with our customers through our share ownership plan remains a core value for the business. We will continue to work to strengthen the company with the help and support of the small and dedicated team at Green Energy UK led by the energetic Chief Executive Doug Stewart who I would like to thank for another good year.



Sir Peter Thompson  
Chairman

2 October 2009

## **GREEN ENERGY (UK) PLC**

### **Chief Executive Officer's statement**

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Customers have always been at the centre of our business structure and philosophy. Getting the right customers, treating them as people not numbers and ensuring a human being answers the phone when they need help have been core to our operations. Delivering on those values has continued to pay dividends.

In the last year we have again increased customer numbers, which are up by more than 35%, in an increasingly competitive marketplace.

We have continued to grow our domestic customer base and our business customers' increase in scope and industry sector.

Our strategy of ensuring our customers are both domestic and business and that the commercial business is spread across market sectors has ensured we are not exposed to any one industry sector or the difficulties it may encounter.

**This has served us well in what have been difficult economic times.**

It seems hard to believe that was only just a year ago that we were talking of tiger economies and resource shortages in the metals and construction industries.

When we started this business the thought of a \$100 barrel of oil was the stuff of future fiction. Summer 2008 saw oil prices hit an unprecedented \$148 a barrel and record highs in gas, coal and electricity.

We have made much of the relationship between the oil markets and the price of electricity and last summer was no exception.

All energy prices went through the roof and there was talk of them continuing to climb.

Against that backdrop, we along with everyone else in the energy markets had some difficult decisions to make. We knew our customers liked stable prices and did not like constantly fluctuating prices. In a bid to offer security in a far from stable market we assessed our generation output, our likely demand through the winter, and sought to strike a price forward for green electricity that would see us through the winter and beyond.

We had a number of contracts up for routine renewal and we agreed prices which we considered good considering the market sentiment at the time. We secured prices, aligned them with our retail prices and thought we were set fair for the winter and a metaphoric congratulatory pat on the back from our customers for protecting them from the worst.

And then came the credit crunch, the banking crisis, and a recession; an economic disaster so big it is difficult to understand with hindsight how no one saw it coming!

**However we seem to have navigated our way through what the world has thrown at us and the figures in the chairman's statement make good reading.**

## GREEN ENERGY (UK) PLC

### Chief Executive Officer's statement

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Our generation partners have continued to provide the heady cocktail of green and renewable energy on which the business was premised. And it is pleasing to note that we watched the effect on wholesale prices from the sidelines this year rather than the epicentre; such was the effect of the changes we have made to our risk strategy and buying controls.

We have increased our efforts at the micro generation end of the market and will be well placed to take advantage of any opportunities that the government's Feed-in-Tariffs (FiTs) offer when they are introduced next year.

Over the year we have continued to invest in increased staff numbers to better manage the business and provide dedicated points of contact for the different areas of the business. Our prevention rather than cure approach to customer service seems to continue to pay dividends.

The team continue to be environmentally aware and have helped reduce our own internal carbon footprint through reductions in energy usage and active recycling. We remain fortunate that the majority of the team are able to walk, cycle or use the train for the daily commute.

#### **We maintain the best energy saving is the stuff we do not use.**

In terms of what we have achieved in the period under review, our customer service offering is working extremely well. Our billing regime is being operated efficiently and as a result of the way our metering team operates, the visibility of problems and concerns is high and their resolution is handled with great attention to detail.

Against the grim economic background we planned to retain our existing customers and aimed to continue to recruit those that are of a green persuasion. The prevailing climate was not one to go on an all-out marketing offensive when the media was full of caution messages. And since we won't compete for share of voice in promotions or advertising we have played to our core strengths and focused our communications on delivering our message and proposition through the internet and PR in an interesting way.

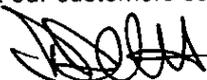
#### **So we continue to speak with people who want to speak to us and seek us out.**

We introduced an interesting 6-monthly price hedge review contract to commercial customers which we are currently trialling with a major customer. This is an innovative move and quite a brave one for a small market participant. Businesses of our scale tend to follow market trends as we have no pricing power but we feel what we have to offer is interesting and to the right client should pay dividends.

We continue to work with far sighted developers even in the current tough economic climate and look forward to continued growth in the coming year.

I also need to thank the dedicated and increasing number of employees that maintain and improve the business through their actions and continue to provide the human voice of green energy on the end of the phone.

But our customers continue to be our best ambassadors and for that I would like to personally thank them.



**Douglas Stewart**  
Chief Executive Officer

**2 October 2009**

# GREEN ENERGY (UK) PLC

## DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2009

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The directors present their report and financial statements for the year ended 30 April 2009.

### 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 8.

### 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 2008:

R Dunning	(Resigned 4 November 2008)
D Stewart	
Sir Peter Thompson	
T J Smith	(Appointed 4 November 2008)

### 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 2009 was 22 days (2008 - 24 days).

### Auditors

In accordance with section 487 of the Companies Act 2006, a resolution proposing that Mercer & Hole be reappointed as auditors of the company will be put to the Annual General Meeting.

**GREEN ENERGY (UK) PLC**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2009**

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**Statement of directors' responsibilities**

The directors are responsible for preparing 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

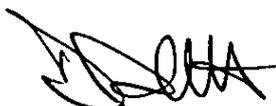
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



D Stewart

Director

2 October 2009

## **GREEN ENERGY (UK) PLC**

### **INDEPENDENT AUDITORS' REPORT**

#### **TO THE MEMBERS OF GREEN ENERGY (UK) PLC**

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We have audited the financial statements of Green Energy (UK) Plc for the year ended 30 April 2009 set out on pages 8 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 - 5, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2009 and of its profit for the year then ended;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

GREEN ENERGY (UK) PLC

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF GREEN ENERGY (UK) PLC

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Paul Maberly (Senior Statutory Auditor)  
for and on behalf of Mercer & Hole

2 October 2009

Chartered Accountants  
Statutory Auditor

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

**GREEN ENERGY (UK) PLC**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 30 APRIL 2009**

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	Notes	2009 £	2008 £
Turnover	2	5,065,603	3,472,874
Cost of sales		(4,050,217)	(2,691,640)
<b>Gross profit</b>		<u>1,015,386</u>	<u>781,234</u>
Administrative expenses		(700,229)	(526,812)
<b>Operating profit</b>	3	<u>315,157</u>	<u>254,422</u>
Other interest receivable and similar income	4	623	744
Interest payable and similar charges	5	(24,433)	(46,069)
<b>Profit on ordinary activities before taxation</b>		<u>291,347</u>	<u>209,097</u>
Tax on profit on ordinary activities	6	(33,678)	(149)
<b>Profit for the year</b>	13	<u><u>257,669</u></u>	<u><u>208,948</u></u>

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

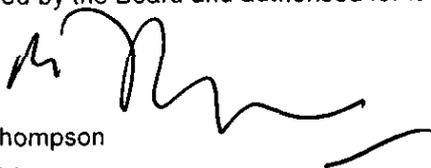
BALANCE SHEET

AS AT 30 APRIL 2009

	Notes	2009		2008	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	7		27,121		31,333
<b>Current assets</b>					
Debtors	8	988,023		846,488	
Cash at bank and in hand		104,154		22,468	
		<u>1,092,177</u>		<u>868,956</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(781,885)</u>		<u>(655,741)</u>	
<b>Net current assets</b>			<u>310,292</u>		<u>213,215</u>
<b>Total assets less current liabilities</b>			<u>337,413</u>		<u>244,548</u>
<b>Creditors: amounts falling due after more than one year</b>	10		<u>(281,418)</u>		<u>(448,864)</u>
			<u>55,995</u>		<u>(204,316)</u>
<b>Capital and reserves</b>					
Called up share capital	12		53,695		51,195
Other reserves	13		569		427
Profit and loss account	13		1,731		(255,938)
<b>Shareholders' funds</b>	14		<u>55,995</u>		<u>(204,316)</u>

Approved by the Board and authorised for issue on 2 October 2009

Sir P Thompson  
Director



D Stewart  
Director



Company registration No. 4194006

GREEN ENERGY (UK) PLC

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2009

	2009	2008
	£	£
<b>Net cash inflow from operating activities</b>	264,135	349,050
<b>Returns on investments and servicing of finance</b>		
Interest received	623	744
Interest paid	(9,340)	(24,958)
<b>Net cash outflow for returns on investments and servicing of finance</b>	(8,717)	(24,214)
<b>Taxation</b>	(24)	(62)
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(8,904)	(22,059)
<b>Net cash outflow for capital expenditure</b>	(8,904)	(22,059)
<b>Net cash inflow before management of liquid resources and financing</b>	246,490	302,715
<b>Financing</b>		
Issue of ordinary share capital	2,642	256
Repayment of other long term loans	(167,446)	(185,912)
<b>Net cash outflow from financing</b>	(164,804)	(185,656)
<b>Increase in cash in the year</b>	81,686	117,059

GREEN ENERGY (UK) PLC

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2009

<b>1</b>	<b>Reconciliation of operating profit to net cash inflow from operating activities</b>		<b>2009</b>	<b>2008</b>
			£	£
	Operating profit		315,157	254,422
	Depreciation of tangible assets		13,116	7,071
	(Increase)/decrease in debtors		(141,535)	99,206
	Increase/(decrease) in creditors within one year		77,397	(11,649)
	<b>Net cash inflow from operating activities</b>		<u>264,135</u>	<u>349,050</u>
<b>2</b>	<b>Analysis of net debt</b>	<b>1 May 2008</b>	<b>Cash flow</b>	<b>Other non- cash changes</b>
				<b>30 April 2009</b>
		£	£	£
	Net cash:			
	Cash at bank and in hand	22,468	81,686	-
	Debt:			
	Debts falling due after one year	(448,864)	167,446	-
	<b>Net debt</b>	<u>(426,396)</u>	<u>249,132</u>	<u>(177,264)</u>
<b>3</b>	<b>Reconciliation of net cash flow to movement in net debt</b>		<b>2009</b>	<b>2008</b>
			£	£
	Increase in cash in the year		81,686	117,059
	Cash outflow from decrease in debt		167,446	185,912
	<b>Movement in net debt in the year</b>		<u>249,132</u>	<u>302,971</u>
	Opening net debt		(426,396)	(729,367)
	<b>Closing net debt</b>		<u>(177,264)</u>	<u>(426,396)</u>

**GREEN ENERGY (UK) PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2009**

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**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 Pensions**

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

**1.7 Deferred taxation**

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

**2 Turnover**

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

**3 Operating profit**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Depreciation of tangible assets	13,116	7,071
Auditors' remuneration: the audit of these financial statements	9,000	9,000
- Taxation	1,500	1,500
- Other services	4,305	2,000
	<u>          </u>	<u>          </u>

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GREEN ENERGY (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2009

4	Investment income	2009 £	2008 £
	Bank interest	623	744
		<u>623</u>	<u>744</u>
		<u><u>623</u></u>	<u><u>744</u></u>
5	Interest payable	2009 £	2008 £
	On bank loans and overdrafts	433	1,921
	Other interest	24,000	44,148
		<u>24,433</u>	<u>46,069</u>
		<u><u>24,433</u></u>	<u><u>46,069</u></u>
6	Taxation	2009 £	2008 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	33,678	149
		<u>33,678</u>	<u>149</u>
	<b>Current tax charge</b>	<u><u>33,678</u></u>	<u><u>149</u></u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	291,347	209,097
		<u>291,347</u>	<u>209,097</u>
		<u><u>291,347</u></u>	<u><u>209,097</u></u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2008 - 20.00%)	61,183	41,819
		<u>61,183</u>	<u>41,819</u>
		<u><u>61,183</u></u>	<u><u>41,819</u></u>
	Effects of:		
	Non deductible expenses	2,133	233
	Depreciation add back	2,755	1,414
	Capital allowances	(2,311)	(2,766)
	Tax losses utilised	(33,252)	(40,551)
	Other tax adjustments	3,170	-
		<u>(27,505)</u>	<u>(41,670)</u>
		<u><u>(27,505)</u></u>	<u><u>(41,670)</u></u>
	<b>Current tax charge</b>	<u><u>33,678</u></u>	<u><u>149</u></u>

GREEN ENERGY (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2009

7 Tangible fixed assets

	Computer Equipment	Fixtures, fittings & equipment	Total
	£	£	£
<b>Cost</b>			
At 1 May 2008	40,317	5,925	46,242
Additions	5,431	3,473	8,904
	<u>45,748</u>	<u>9,398</u>	<u>55,146</u>
At 30 April 2009	45,748	9,398	55,146
<b>Depreciation</b>			
At 1 May 2008	11,904	3,005	14,909
Charge for the year	11,681	1,435	13,116
	<u>23,585</u>	<u>4,440</u>	<u>28,025</u>
At 30 April 2009	23,585	4,440	28,025
<b>Net book value</b>			
At 30 April 2009	<u>22,163</u>	<u>4,958</u>	<u>27,121</u>
At 30 April 2008	<u>28,413</u>	<u>2,920</u>	<u>31,333</u>

8 Debtors

	2009	2008
	£	£
Trade debtors	148,017	134,114
Other debtors	699,521	567,139
Prepayments and accrued income	140,485	145,235
	<u>988,023</u>	<u>846,488</u>
	<u>988,023</u>	<u>846,488</u>

GREEN ENERGY (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2009

9 Creditors: amounts falling due within one year	2009 £	2008 £
Trade creditors	438,768	427,182
Corporation tax	33,803	149
Other taxes and social security costs	11,469	9,526
Directors' current accounts	441	-
Other creditors	-	1,954
Accruals and deferred income	297,404	216,930
	<u>781,885</u>	<u>655,741</u>

The bank facilities are secured by a fixed and floating charge over the assets of the company.

10 Creditors: amounts falling due after more than one year	2009 £	2008 £
Other loans	<u>281,418</u>	<u>448,864</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	<u>281,418</u>	<u>448,864</u>
	<u>281,418</u>	<u>448,864</u>
<b>Loan maturity analysis</b>		
In more than two years but not more than five years	<u>281,560</u>	<u>448,864</u>

11 Pension and other post-retirement benefit commitments	2009 £	2008 £
<b>Defined contribution</b>		
Contributions payable by the company for the year	<u>14,000</u>	<u>6,600</u>

GREEN ENERGY (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2009

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12 Share capital	2009	2008
	£	£
Allotted, called up and fully paid		
'A' Ordinary shares of £0.001 each	53,545	50,000
'B' Ordinary shares of £0.001 each	150	1,195
	<u>53,695</u>	<u>51,195</u>

During the year 2,500,000 (2008: nil) 'A' Ordinary shares of £0.001 each and 142,000 (2008: 256,600) 'B' Ordinary shares of £0.001 each were allotted and fully paid at par for cash consideration. 1,045,000 (2008: nil) 'B' Ordinary shares were converted into 'A' Ordinary shares. 142,000 (2008: 427,150) 'B' Ordinary shares of £0.001 each 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 will automatically convert into 'A' Ordinary shares three and a half years' after their allotment.

If the customer does not remain a customer of the company for three consecutive calendar years after the date of allotment, 'B' Ordinary shares will be redeemed, at the option of the company, for a total of £0.01 for the customers entire shareholding.

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

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.

**GREEN ENERGY (UK) PLC**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2009**

**13 Statement of movements on reserves**

	Other reserves (see below) £	Profit and loss account £
Balance at 1 May 2008	427	(255,938)
Profit for the year	-	257,669
Movement during the year	142	-
	<u>569</u>	<u>1,731</u>
Balance at 30 April 2009	<u>569</u>	<u>1,731</u>

**Other reserves**

**Capital redemption reserve**

Balance at 1 May 2008	427
Capital redemption reserve increase	142

Balance at 30 April 2009

569

**14 Reconciliation of movements in shareholders' funds**

	2009 £	2008 £
Profit for the financial year	257,669	208,948
Proceeds from issue of shares	2,642	256
	<u>260,311</u>	<u>209,204</u>
Net addition to shareholders' funds	260,311	209,204
Opening shareholders' funds	(204,316)	(413,520)
	<u>55,995</u>	<u>(204,316)</u>
Closing shareholders' funds	<u>55,995</u>	<u>(204,316)</u>

**15 Financial commitments**

At 30 April 2009 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 April 2010:

	Land and buildings	
	2009 £	2008 £
Operating leases which expire:		
In over five years	<u>18,500</u>	<u>18,500</u>

The Company is committed to purchase electric power under various short and long-term electricity supply contracts. At 30 April 2009 the estimated annual commitment for the purchase of electricity under all these contracts totalled £2.5 million (2008 : £1.8 million).

GREEN ENERGY (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2009

16 Directors' emoluments	2009 £	2008 £
Emoluments for qualifying services	194,722	134,126
Company pension contributions to money purchase schemes	14,000	6,600
	<u>208,722</u>	<u>140,726</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2008 - 1).

17 Employees

**Number of employees**

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

	2009 Number	2008 Number
Number of employees	<u>11</u>	<u>10</u>

**Employment costs**

	2009 £	2008 £
Wages and salaries	353,852	267,998
Social security costs	34,965	23,949
Other pension costs	14,000	6,600
	<u>402,817</u>	<u>298,547</u>

18 Control

The company is controlled by the board of directors.

19 Related party transactions

At 30 April 2009, an amount of £441 (2008 - £nil) was payable to Douglas Stewart, an amount of £281,418 (2008 - £448,864) was payable to Sir Peter Thompson and his wife.

Clariti Systems Limited, of whom Tim Smith is a director, during the year recharged Green Energy (UK) Plc £28,182 for the supply of IT services and support on arm length basis. At 30 April 2009, an amount of £675 was payable to Clatiri Systems Limited.