

**REGISTERED NUMBER: 05067893 (England and Wales)**

**STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014  
FOR  
GREENS POWER LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2014**

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**GREENS POWER LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**DIRECTORS:**

M Crewe  
Ms T Y Chen  
M F Wignall

**SECRETARY:**

M Crewe

**REGISTERED OFFICE:**

Raines Business Centre  
Raines House  
Denby Dale Road  
Wakefield  
West Yorkshire  
WF1 1HR

**REGISTERED NUMBER:**

05067893 (England and Wales)

**SENIOR STATUTORY AUDITOR:** Nicholas Ledgard BA FCA

**AUDITORS:**

Walker & Sutcliffe  
12 Greenhead Road  
Huddersfield  
West Yorkshire  
HD1 4EN

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

The directors present their strategic report for the year ended 31 December 2014.

**PRINCIPAL ACTIVITIES**

The principal activities of the Company in the year remained that of sales, design manufacture, engineering support, project management and the supply of aftermarket services to the heat transfer market, primarily economisers, land based boilers and marine boilers. These activities were to support our third party customer base and the Group companies within Greens Holdings Limited (Listed on the Hong Kong Stock Exchange ref: HKEX1318).

**REVIEW OF BUSINESS**

Significant positive development remains in the Company, following the challenges of recent years. The year ended 31 December 2014 saw profitability regained based on the following:

- increased order book levels across our business in Europe and internationally;
- the fixed cost and overhead base in the business has reduced to match sales levels;
- we have not been subjected to any one off 'bad debt' as seen in recent years;
- projects we have on hand have a secured level of income, some guaranteed through payment terms, some through letters of credit;
- our sister company Greens Power Equipment (UK) Limited's significant contract in the Middle East has progressed in 2014 with first and second payments being made to the Group and subsequently onward to us at Greens Power Limited for our sales, engineering and project management work;
- our balance sheet has been strengthened in the year and net asset position strengthened, based on the capitalisation of short term intercompany loans into long term share capital - representing commitment to our business from the owners.

The Company continues to have the financial and cashflow support of the Group where required. This is on the basis that Greens Power Limited is key to supporting international sales, engineering, design, project management and administration relating to the Group as a whole.

**RESULTS AND DIVIDENDS**

The profit for the year ended 31 December 2014 after taxation amounted to £117,721. Improvements month on month in 2014 are based on the maximisation of opportunities, reduction in costs and focus in the business on the most profitable sales areas.

**GOING CONCERN**

The Company has consistently held a strong monthly cash balance position similar to those held at the year end, for in excess of three years, this cash being made available from sales/trading receipts from customers and intercompany remittances.

Trading receipts are underpinned by strong terms of payment, commissions are underpinned by a confirmed irrevocable letters of credit from JP Morgan Chase and Group remittances are underpinned by Group banking facilities with banks in China and Hong Kong who continue, along with shareholders, to actively support the Company where required.

The Company recapitalised loan balances into new ordinary share capital on 30 June 2014. This provides the Company with significantly further stability for the medium to long term by replacing short-term borrowings with additional long-term investment. This both demonstrates the Group's commitment into the Company and also moves loan balances which were effectively repayable on demand into investments, effectively providing long term financing through this issue of £2.4 million new shares of £1 each.

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

The Directors have prepared cashflow projections for the two years ended 31 December 2016. These projections indicate that it can manage its day to day cashflow obligations in this period without receiving extra funding from other Group Companies. However, based on the level of intercompany payables, which amount to £15,382,823 and receivables, amounting to £14,917,140 broadly netting off, the Company is reliant upon its ultimate parent and other Group Companies not calling in these intercompany payable balances. To this end, the Company has received a letter confirming that these balances will not be called in for a period of at least 12 months from the date of signing of the audit report.

To add further future security for the Company, the Group provided a letter which states that it will provide continuing support as required. The new shareholder of Greens Holdings has also subsequently announced public on 28 April 2015 that it will unconditionally support the Greens Holdings Limited for a period of at least 12 months.

The directors of the Company believe that based on the above the Company remains a going concern.

**PRINCIPAL RISKS AND UNCERTAINTIES**

These relate principally to the type of new trading contracts undertaken, this in the main is hedged by ensuring that repeat work is carried out for our blue chip customer base and that payment terms mitigate this risk and are negotiated with secure milestone payments.

Whilst competitive pressure in the UK and European markets has eased during 2014, our considered entry into developing international markets and our wide product portfolio provide further opportunities for the Company. This diversity of markets and products balances any reliance/weakness in a particular market or sector.

A key factor in our business relates to the customer retention of customers. Our uncompromising focus on design excellence and expertise along with insistence on highest quality mitigate such risk.

**FUTURE DEVELOPMENTS AND POST BALANCE SHEET EVENTS**

On 30 December 2014, our parent company Greens Holdings Limited received significant re-investment through the transfer of ownership of shares from our significant shareholder and proposed placing/issue of bonds. On 26 January 2015 this shareholder, Mr Frank Ellis retired as a director of the business and the Group and was replaced by Mr Gareth Tang. The board welcomes Mr Tang and thanks Mr Ellis for his support and input into the business spanning the last 50 years.

The transfer of ownership of our parent company has led to further cash investment in the Company in 2015 to date and our new investor indicates that further development of the Company (and other overseas operations) will continue in 2015 (as corroborated in the Groups publicly disclosed voluntary announcement of 25 February and as contained in the preliminary results). Whilst certain restructuring activities are being carried out in the wider Group operations following the Groups change of ownership, the Directors believe these will strengthen the Group as a whole.

The outlook for 2015 is positive. We have a strong order book going into 2015, customer confidence has returned, profitability has returned and enquiry and order levels have increased significantly in recent months. Our focus is on projects that look to utilise our skill base and strength in technology in return for better margins and secure payment terms.

**ON BEHALF OF THE BOARD:**



M Crewe - Secretary

22 May 2015

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

The directors present their report with the financial statements of the company for the year ended 31 December 2014.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2014 (year to 31 December 2013: £nil).

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report.

M Crewe  
Ms T Y Chen  
M F Wignall

Other changes in directors holding office are as follows:

F Ellis ceased to be a director after 31 December 2014 but prior to the date of this report.

**DISCLOSURE IN THE STRATEGIC REPORT**

Separate disclosure, including details of the company's Principal Activities, the Review of Business, Principal Risks and Uncertainties, and Future Developments is given in the Strategic Report.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

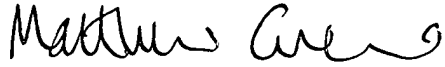
**GREENS POWER LIMITED (REGISTERED NUMBER: 05067893)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**AUDITORS**

The auditors, Walker & Sutcliffe, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'Matthew Crewe', written in a cursive style.

M Crewe - Secretary

22 May 2015

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GREENS POWER LIMITED**

We have audited the financial statements of Greens Power Limited for the year ended 31 December 2014 on pages seven to twenty. 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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page four, 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). 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. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors 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.

### **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 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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

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.

Nicholas Ledger BA FCA (Senior Statutory Auditor)  
for and on behalf of Walker & Sutcliffe  
12 Greenhead Road  
Huddersfield  
West Yorkshire  
HD1 4EN

22 May 2015



**GREENS POWER LIMITED (REGISTERED NUMBER: 05067893)**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 £	2013 £
<b>TURNOVER</b>	2	5,476,981	5,064,996
Cost of sales		<u>3,424,187</u>	<u>3,380,145</u>
<b>GROSS PROFIT</b>		2,052,794	1,684,851
Administrative expenses		<u>1,934,782</u>	<u>2,432,151</u>
		118,012	(747,300)
Other operating income		<u>-</u>	<u>145,164</u>
<b>OPERATING PROFIT/(LOSS)</b>	5	118,012	(602,136)
Interest payable and similar charges	7	<u>291</u>	<u>1,593</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		117,721	(603,729)
Tax on profit/(loss) on ordinary activities	8	<u>-</u>	<u>-</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<u><u>117,721</u></u>	<u><u>(603,729)</u></u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

The notes form part of these financial statements

**GREENS POWER LIMITED (REGISTERED NUMBER: 05067893)**

**BALANCE SHEET  
31 DECEMBER 2014**

	Notes	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	9	425,911	570,743
Investments	10	-	-
		<u>425,911</u>	<u>570,743</u>
<b>CURRENT ASSETS</b>			
Stocks	11	316,754	232,674
Debtors	12	16,407,060	15,032,897
Investments	13	301,948	325,902
Cash at bank and in hand		99,617	232,194
		<u>17,125,379</u>	<u>15,823,667</u>
<b>CREDITORS</b>			
Amounts falling due within one year	14	<u>1,278,951</u>	<u>18,008,538</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>15,846,428</u>	<u>(2,184,871)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>16,272,339</u>	<u>(1,614,128)</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	15	<u>15,382,823</u>	<u>-</u>
<b>NET ASSETS/(LIABILITIES)</b>		<u><u>889,516</u></u>	<u><u>(1,614,128)</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	2,876,924	491,001
Profit and loss account	18	<u>(1,987,408)</u>	<u>(2,105,129)</u>
<b>SHAREHOLDERS' FUNDS</b>	21	<u><u>889,516</u></u>	<u><u>(1,614,128)</u></u>

The financial statements were approved by the Board of Directors on 22 May 2015 and were signed on its behalf by:

*Matthew Crewe*

M Crewe - Director

The notes form part of these financial statements

**GREENS POWER LIMITED (REGISTERED NUMBER: 05067893)**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014	2013
		£	£
<b>Net cash outflow from operating activities</b>	1	(409,730)	(1,423,626)
<b>Returns on investments and servicing of finance</b>	2	(291)	(1,593)
<b>Capital expenditure</b>	2	-	(4,548)
		<u>(410,021)</u>	<u>(1,429,767)</u>
<b>Management of liquid resources</b>	2	23,954	455,874
<b>Financing</b>	2	253,730	854,072
<b>Decrease in cash in the period</b>		<u>(132,337)</u>	<u>(119,821)</u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net debt</b>	3		
Decrease in cash in the period		(132,337)	(119,821)
Cash inflow from decrease in liquid resources		(20,147)	(455,874)
Cash inflow from increase in debt and lease financing		<u>(257,777)</u>	<u>(854,072)</u>
Change in net debt resulting from cash flows		(410,261)	(1,429,767)
Foreign exchange movements		(189,420)	154,026
Capitalisation of loans with group undertakings		<u>2,385,923</u>	<u>-</u>
<b>Movement in net debt in the period</b>		1,786,242	(1,275,741)
<b>Net debt at 1 January</b>		<u>(10,981,488)</u>	<u>(9,705,747)</u>
<b>Net debt at 31 December</b>		<u>(9,195,246)</u>	<u>(10,981,488)</u>

The notes form part of these financial statements

**GREENS POWER LIMITED (REGISTERED NUMBER: 05067893)**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**1. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	2014	2013
	£	£
Operating profit/(loss)	118,012	(602,136)
Depreciation charges	144,832	149,415
Profit on disposal of fixed assets	-	(6,045)
Foreign exchange movements	189,420	(154,026)
(Increase)/decrease in stocks	(84,080)	342,176
Increase in debtors	(1,424,850)	(1,191,839)
Increase in creditors	646,936	38,829
<b>Net cash outflow from operating activities</b>	<u>(409,730)</u>	<u>(1,423,626)</u>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2014	2013
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest paid	(291)	(856)
Interest element of hire purchase or finance lease rentals payments	-	(737)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<u>(291)</u>	<u>(1,593)</u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	-	(14,518)
Sale of tangible fixed assets	-	9,970
<b>Net cash outflow for capital expenditure</b>	<u>-</u>	<u>(4,548)</u>
<b>Management of liquid resources</b>		
Decrease in pledged deposits	23,954	455,874
<b>Net cash inflow from management of liquid resources</b>	<u>23,954</u>	<u>455,874</u>
<b>Financing</b>		
New loans in year	253,730	1,116,242
Loan repayments in year	-	(250,841)
Capital repayments in year	-	(11,329)
<b>Net cash inflow from financing</b>	<u>253,730</u>	<u>854,072</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2014

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/1/14 £	Cash flow £	Exchange rate movements £	Other non-cash changes £	At 31/12/14 £
Net cash:					
Cash at bank and in hand	232,194	(132,337)	(240)		99,617
	<u>232,194</u>	<u>(132,337)</u>	<u>(240)</u>		<u>99,617</u>
Liquid resources:					
Current asset investments	325,902	(20,147)	(3,807)	-	301,948
	<u>325,902</u>	<u>(20,147)</u>	<u>(3,807)</u>	<u>-</u>	<u>301,948</u>
Debt:					
Debts falling due within one year	(11,539,584)	(257,777)	(185,373)	11,982,734	-
Debts falling due after one year	-	-	-	(9,596,811)	(9,596,811)
	<u>(11,539,584)</u>	<u>(257,777)</u>	<u>(185,373)</u>	<u>2,385,923</u>	<u>(9,596,811)</u>
Total	<u>(10,981,488)</u>	<u>(410,261)</u>	<u>(189,420)</u>	<u>2,385,923</u>	<u>(9,195,246)</u>

4. MAJOR NON-CASH TRANSACTIONS

As disclosed in the notes to the financial statements, on 30 June 2014, the Company significantly strengthened its balance sheet position by converting £2,385,923 of its loan balances from other Group companies (intercompany loans) into ordinary share capital.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements are prepared in accordance with applicable law and United Kingdom accounting standards. The particular accounting policies adopted are described below and are applied consistently in the current and prior years.

**Going concern**

The Company generated profits after tax of £117,721 in the year to 31 December 2014 and significantly strengthened its balance sheet position on 30 June 2014 by converting £2.4million of its loan balances from other Group Companies into share capital, effectively providing long-term financing as a result of this recapitalisation exercise. After this exercise the Company has net current assets of £463,605 and overall net assets of £889,516 at 31 December 2014.

The Directors have prepared cashflow projections for the two years ended 31 December 2016. These projections indicate that it can manage its day to day cashflow obligations in this period without receiving extra funding from other Group Companies. However, based on the level of intercompany payables, which amount to £15,382,823 and receivables, amounting to £14,917,140 broadly netting off, the Company is reliant upon its ultimate parent and other Group Companies not calling in these intercompany payable balances. To this end, the Company has received a letter which states:

"We, Greens Holdings Ltd (incorporated in Cayman Islands), are the ultimate parent of Greens Power Limited ("GPL"). As shown in the financial statements of GPL for the year ended 31 December 2014, GPL owed us Greens Holdings Limited and subsidiary companies GBP £15,382,823. Regarding to the financial position of the GPL as shown by the financial statements of GPL for the year ended 31 December 2014, we confirm that it is our intention to continue to support financially the operations of GPL and will not request for the repayment of the amount owed to us for at least the ensuing twelve month period from the date of signing the audit report"

In addition, the board of Greens Holdings Limited has made further cash investments in the Company during 2015, announced publicly on 25 February and in its interim results its planned development of the Company (and overseas companies) and the new shareholder of Greens Holdings Limited (100% owner of the Company) indicated on 28 April 2015 that it will unconditionally support Greens Holdings Limited.

Having taken these factors into consideration, the Directors believe that it is appropriate to prepare the accounts of the Company on a going concern basis.

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

**Preparation of consolidated financial statements**

The financial statements contain information about Greens Power Limited as an individual company, and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 402 of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

**Turnover**

Turnover represents net invoiced sales of goods and the value of long-term contract work performed, excluding value added tax.

Profit is recognised on long-term contracts, if the outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated by reference to the value of work performed to date as a proportion of the total contract value.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES - continued

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- 20% on cost
Plant and machinery	- 20% on cost and 10% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

**Stocks**

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for slow-moving, obsolete, or defective items where appropriate.

**Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and there recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

**Foreign currency**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

**GREENS POWER LIMITED (REGISTERED NUMBER: 05067893)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**1. ACCOUNTING POLICIES - continued**

**Fixed asset investments**

Fixed asset investments represent the company's holdings in dormant subsidiaries, and are stated at cost less any provision for impairment.

**Current asset investments**

Current asset investments represent deposits pledged for bank guarantee letters and are carried at cost.

**Cash flows and liquid resources**

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, cash at bank, and deposits repayable on demand. Deposits are repayable on demand if they are available within 24 hours without penalty.

Liquid resources comprise assets held as readily disposable store of value. They are defined as current asset investments and short term deposits.

**2. TURNOVER**

The turnover and profit (2013 - loss) before taxation are attributable to the principal activities of the company.

An analysis of turnover by geographical market is given below:

	2014 £	2013 £
United Kingdom and Europe	3,240,135	2,965,470
China	188,081	1,114,669
Rest of the world	2,048,765	984,857
	<u>5,476,981</u>	<u>5,064,996</u>

**3. STAFF COSTS**

	2014 £	2013 £
Wages and salaries	665,185	1,208,856
Social security costs	92,891	130,107
Other pension costs	93,599	107,487
	<u>851,675</u>	<u>1,446,450</u>

**4. DIRECTORS' EMOLUMENTS**

	2014 £	2013 £
Directors' remuneration	115,354	120,316
Directors' pension contributions to money purchase schemes	8,393	10,199
	<u>123,747</u>	<u>130,515</u>

Included in the costs for Directors' emoluments are amounts of £32,074 (2013 - £30,193), which are paid by other group companies.



NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2014

5. OPERATING PROFIT/(LOSS)

The operating profit (2013 - operating loss) is stated after charging/(crediting):

	2014	2013
	£	£
Hire of plant and machinery	6,057	8,314
Depreciation - owned assets	144,832	149,414
Profit on disposal of fixed assets	-	(6,045)
Foreign exchange differences	189,420	-
Operating leases - land and buildings	288,577	282,760
Operating leases - motor vehicles	15,995	11,581
Foreign exchange losses/(gains)	-	(145,164)
	<u>          </u>	<u>          </u>

6. AUDITORS' REMUNERATION

	2014	2013
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements - current auditor	9,000	15,000
- previous auditor	-	(2,500)
	<u>          </u>	<u>          </u>
Total audit fees	9,000	12,500
	<u>          </u>	<u>          </u>
Audit-related assurance services - previous auditor	-	16,500
Tax compliance services - current auditor	3,025	6,575
Tax advisory services - current auditor	-	1,100
Other non-audit services - current auditor	19,347	18,385
	<u>          </u>	<u>          </u>
Total non-audit fees	22,372	42,560
	<u>          </u>	<u>          </u>
Total fees payable	31,372	55,060
	<u>          </u>	<u>          </u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Bank interest	291	856
Hire purchase	-	737
	<u>          </u>	<u>          </u>
	291	1,593
	<u>          </u>	<u>          </u>

8. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2014 nor for the year ended 31 December 2013.

**GREENS POWER LIMITED (REGISTERED NUMBER: 05067893)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**8. TAXATION - continued**

**Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2014 £	2013 £
Profit/(loss) on ordinary activities before tax	<u>117,721</u>	<u>(603,729)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.500% (2013 - 23.250%)	25,310	(140,367)
Effects of:		
Expenses not deductible for tax purposes	5,760	(3,849)
Depreciation in excess of capital allowances	17,385	11,072
Utilisation of tax losses	(48,455)	-
Losses carried forward	<u>-</u>	<u>133,144</u>
Current tax charge	<u>-</u>	<u>-</u>

**Factors that may affect future tax charges**

The company has trading losses carried forward of £4,285,360 (2013: £4,680,764), of which £85,095 (2013: £134,590) has been offset against accelerated capital allowances and other short term timing differences.

Consequently, in respect of those trading losses not offset, the company has an unrecognised deferred tax asset of £884,132 (2013: £996,531) at the balance sheet date.

In relation to the current year, corporation tax has been charged at a hybrid rate of 21.50%. This represents the change in the standard corporation tax rate from 23% to 21% with effect from 1 April 2014.

In relation to the prior year, corporation tax has been charged at a hybrid rate of 23.25%. This represents the change in the standard corporation tax rate from 24% to 23% with effect from 1 April 2013.

**9. TANGIBLE FIXED ASSETS**

	Short leasehold £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1 January 2014 and 31 December 2014	<u>194,474</u>	<u>749,867</u>	<u>45,603</u>
<b>DEPRECIATION</b>			
At 1 January 2014	117,547	296,645	40,814
Charge for year	<u>31,363</u>	<u>87,201</u>	<u>1,767</u>
At 31 December 2014	<u>148,910</u>	<u>383,846</u>	<u>42,581</u>
<b>NET BOOK VALUE</b>			
At 31 December 2014	<u>45,564</u>	<u>366,021</u>	<u>3,022</u>
At 31 December 2013	<u>76,927</u>	<u>453,222</u>	<u>4,789</u>

**GREENS POWER LIMITED (REGISTERED NUMBER: 05067893)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**9. TANGIBLE FIXED ASSETS - continued**

	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2014 and 31 December 2014	16,238	212,078	1,218,260
<b>DEPRECIATION</b>			
At 1 January 2014	16,238	176,273	647,517
Charge for year	-	24,501	144,832
At 31 December 2014	16,238	200,774	792,349
<b>NET BOOK VALUE</b>			
At 31 December 2014	-	11,304	425,911
At 31 December 2013	-	35,805	570,743

**10. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2014 and 31 December 2014	3,000
<b>PROVISIONS</b>	
At 1 January 2014 and 31 December 2014	3,000
<b>NET BOOK VALUE</b>	
At 31 December 2014	-
At 31 December 2013	-

The company's investments at the balance sheet date in the share capital of companies include the following:

**E Greens & Son Limited**  
Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

**Greens Economisers Limited**  
Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

**Senior Green Limited**  
Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

**GREENS POWER LIMITED (REGISTERED NUMBER: 05067893)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**11. STOCKS**

	2014	2013
	£	£
Raw materials	62,315	88,312
Work in progress	254,439	144,362
	<u>316,754</u>	<u>232,674</u>

In the opinion of the directors, the carrying value of stocks at the balance sheet date is not materially different from their replacement cost.

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014	2013
	£	£
Trade debtors	1,111,274	1,433,669
Amounts owed by group undertakings	14,917,140	13,400,062
VAT	45,487	-
Prepayments and accrued income	333,159	199,166
	<u>16,407,060</u>	<u>15,032,897</u>

**13. CURRENT ASSET INVESTMENTS**

	2014	2013
	£	£
Pledged deposits	<u>301,948</u>	<u>325,902</u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014	2013
	£	£
Payments on account	214,626	19,531
Trade creditors	922,123	729,433
Amounts owed to group undertakings	-	17,042,787
Social security and other taxes	41,826	66,851
Other creditors	19,095	20,988
Pension contributions payable	9,887	22,210
Accruals and deferred income	71,394	106,738
	<u>1,278,951</u>	<u>18,008,538</u>

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2014	2013
	£	£
Amounts owed to group undertakings	<u>15,382,823</u>	<u>-</u>

**GREENS POWER LIMITED (REGISTERED NUMBER: 05067893)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**16. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2014	2013	2014	2013
	£	£	£	£
Expiring:				
Within one year	109,750	-	-	-
Between one and five years	136,250	246,000	12,366	4,326
	<u>246,000</u>	<u>246,000</u>	<u>12,366</u>	<u>4,326</u>

**17. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014 £	2013 £
491,001	Ordinary	£1	<u>2,876,924</u>	<u>491,001</u>

On 30 June 2014, the Company significantly strengthened its balance sheet position by converting £2,385,923 of its loan balances from other Group companies (intercompany loans) into ordinary share capital.

**18. RESERVES**

	Profit and loss account £
At 1 January 2014	(2,105,129)
Profit for the year	<u>117,721</u>
At 31 December 2014	<u><u>(1,987,408)</u></u>

**19. RELATED PARTY DISCLOSURES**

During the period under review, the company sold products to and purchased products from group undertakings and participating interests. Sales to group undertakings and participating interests amounted to £117,503 (2013: 975,064). Purchases from group undertakings and participating interests amounted to £459,618 (2013: £981,926). These transactions were carried out in the ordinary course of business and on an arm's length basis.

At the balance sheet date, amounts due from group undertakings and participating interests were £14,917,140 (2013: £13,400,062) and amounts due to group undertakings and participating interests were £15,382,823 (2013: £17,042,787).

Included in these amounts are loans to group undertakings and participating interests, and loans from participating interests. All such loans are interest free.

**GREENS POWER LIMITED (REGISTERED NUMBER: 05067893)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**20. ULTIMATE CONTROLLING PARTY**

Throughout the year, the immediate parent company was Mega Smart Investments Limited and the ultimate parent and controlling company of Greens Power Limited was Greens Holdings Limited, a company registered in the Cayman Islands.

The smallest group in which the results of Greens Power Limited are consolidated is that headed by the ultimate parent company.

**21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2014	2013
	£	£
Profit/(loss) for the financial year	117,721	(603,729)
New share capital subscribed	2,385,923	-
	<hr/>	<hr/>
Net addition/(reduction) to shareholders' funds	2,503,644	(603,729)
Opening shareholders' funds	(1,614,128)	(1,010,399)
	<hr/>	<hr/>
Closing shareholders' funds	889,516	(1,614,128)
	<hr/>	<hr/>