

Registered number: 08241751

**GREEN NETWORK UK PLC
(FORMERLY GREEN NETWORK TRADING UK PLC)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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GREEN NETWORK UK PLC

COMPANY INFORMATION

DIRECTORS

Jamie Bradshaw
Sabrina Corbo
David Tuomey

COMPANY SECRETARY

Blakelaw Secretaries Limited

REGISTERED NUMBER

08241751

REGISTERED OFFICE

New Kings Court Tollgate
Chandler Ford
Eastleigh
SO53 3LG

INDEPENDENT AUDITORS

BDO LLP
55 Baker Street
London
W1U 7EU

GREEN NETWORK UK PLC

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GREEN NETWORK UK PLC

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

INTRODUCTION

The directors present their report and the financial statements for the year ended 31 December 2015.

The company changed its name from Green Network Trading UK Plc on 7 July 2015.

BUSINESS REVIEW

The results for the year and the financial position of the Company are shown in the following financial statements.

Our company continues to develop its business and presence in the United Kingdom, this year has seen the transfer of all group trading to London. We have continued to recruit personnel to our London trading desk. In terms of trading volume, due to the lower energy volume sales in the Italian group supply business in which the TWh reduced from TWh 4.9 to TWh 3.2 turnover reduced by 60%. Despite this sizeable reduction in turnover, operating profit increased by 732%.

As our trading activity is based on the underlying energy supply business of the group, we believe that our turnover will increase in 2016, particularly if the UK supply business comes on line as projected for Q4 2016.

In Q4 2015, the decision was made to enter the domestic and SME market in the UK. This decision was taken after over 9 months of research with leading energy consultants and management review. The UK board was given the full backing by the group parent in this strategic decision. A new subsidiary, Green Network Energy was set up in December 2015, this is the legal entity that will be the UK energy supplier. This company will remain a subsidiary of Green Network PLC and have the same board members.

The Company is managed on an integrated basis with other companies in the Green Network Group and therefore the directors do not monitor Key Performance Indicators solely in respect of the Company. Key Performance Indicators for the group as a whole are discussed in the Directors Report and Financial Statements of Green Network SpA.

FINANCIAL KEY PERFORMANCE INDICATORS

The Key Performance Indicators of the company are turnover, TWh quantity and profit before taxation. A brief analysis of these is shown below:

	2015	2014	Variance
Turnover	€117,920,834	€292,985,453	-60%
TWh quantity	3.2	4.9	-35%
Operating profit	€3,128,559	€376,315	+732%

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties impacting the Company relate to the Electricity trading environment and the financial markets in general. The business of the parent company also has a significant impact on the trading and financial position of the Company. The Directors continue to focus their attention on building the Company resources independent of its parent. This will allow the Company to achieve its chief aim of being able to raise capital on its own right. Cash management will continue to be a risk until the Company is either able to generate free cashflow or raise financing without the parent. The management continue to work on this and our continued profitability is a very positive contribution to this effort.

While the Company had no external borrowing at the year-end 2015, the Directors are careful to manage capital to ensure the business grows in a sustainable manner as a result the Company will begin to seek long term debt which will be used to support the Company's growth plans.

GREEN NETWORK UK PLC

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

In 2014 we engaged a number of external consultants in the area of risk management to assess our risk management system. This review has resulted in the engagement and implementation of a risk management system in 2015.

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

Jamie Bradshaw
Director

Date:

21 July 2016

GREEN NETWORK UK PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company continued to be the trading of electrical energy.

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

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

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to €2,030,006 (2014 - profit €3,136,765).

No dividends have been declared or paid during the year.

DIRECTORS

The directors who served during the year were:

Jamie Bradshaw
Sabrina Corbo
David Tuomey

GREEN NETWORK UK PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

FUTURE DEVELOPMENTS

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

FINANCIAL INSTRUMENTS

Treasury operations and financial instruments

The company has various financial instruments arising from its activities and operations. The company does not trade speculatively or otherwise with regard to derivatives or similar instruments.

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring that the company has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The company is exposed to fair value interest rate risk on any fixed rate borrowings and cash flow interest rate risk on any floating rate deposits, bank overdrafts and loans.

Foreign currency risk

The company's principal foreign currency exposures arise from trading with and funding to or from overseas companies.

Credit risk

Investment of cash surpluses and borrowings are made through banks and companies who must be approved by the Board. Debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Counterparty risk

The company is reliant on its holding company supplying electricity as required. The holding company is a major European supplier of electricity and therefore the directors consider that the risk of not being able to receive the required amounts is minimal.

Price risk

The company hedges against the risk of adverse movement in energy prices by fixing the price of its purchases and sales of energy through the use of forward contracts.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

GREEN NETWORK UK PLC

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

POST BALANCE SHEET EVENTS

Subsequent to the year end, on 22 January 2016, the company acquired 100% of the share capital in Green Network Energy Ltd, a company incorporated in England and Wales.

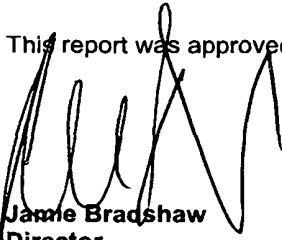
On 2 January 2016, the company has been offered a loan facility of Euros 5,000,000 by the parent company Green Network S.p.A. This loan carries annual fixed interest rate of 2%, is repayable within a year and renewable with written notice.

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

AUDITORS

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



Jamie Bradshaw
Director

Date: 21 July 2016

GREEN NETWORK UK PLC

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF GREEN NETWORK UK PLC FOR THE YEAR ENDED 31 DECEMBER 2015

We have audited the financial statements of Green Network UK Plc for the year ended 31 December 2015 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and the related notes. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 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, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2015 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.

GREEN NETWORK UK PLC

**INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF GREEN NETWORK UK PLC
FOR THE YEAR ENDED 31 DECEMBER 2015**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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.

BDO LLP

Jason Homewood (Senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor

London, UK

Date:

2/2/16.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

GREEN NETWORK UK PLC

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 €	2014 €
Turnover	3	117,920,834	292,985,453
Cost of sales		(111,124,686)	(290,550,387)
Gross profit		6,796,148	2,435,066
Administrative expenses		(3,667,589)	(2,058,751)
Operating profit	4	3,128,559	376,315
Gain on financial instruments at fair value through profit or loss	18	363,099	3,576,719
Profit on ordinary activities before interest		3,491,658	3,953,034
Interest receivable and similar income	8	712	2,495
Interest payable and similar charges	9	(936,351)	(329)
Profit on ordinary activities before taxation		2,556,019	3,955,200
Taxation on profit on ordinary activities	10	(526,013)	(818,435)
Profit for the financial year		2,030,006	3,136,765
Other comprehensive income for the year		-	-
Total comprehensive income for the year		2,030,006	3,136,765

The notes on pages 13 to 30 form part of these financial statements.

GREEN NETWORK UK PLC
REGISTERED NUMBER:08241751

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 €	2014 €
Fixed assets			
Intangible assets	11	213,000	-
Tangible assets	12	67,306	74,940
Investments	13	10,000	60,000
		<u>290,306</u>	<u>134,940</u>
Current assets			
Debtors due within one year	14	21,437,893	57,050,575
Debtors due after one year	14	405,103	1,132,684
Cash at bank and in hand	15	986,156	3,003,597
		<u>22,829,152</u>	<u>61,186,856</u>
Creditors: Amounts falling due within one year	16	(20,973,575)	(62,202,943)
Net current assets		<u>1,855,577</u>	<u>(1,016,087)</u>
Total assets less current liabilities		<u>2,145,883</u>	<u>(881,147)</u>
Net assets		<u><u>2,145,883</u></u>	<u><u>(881,147)</u></u>
Capital and reserves			
Called up share capital	20	1,097,024	100,000
Profit and loss account	19	1,048,859	(981,147)
		<u>2,145,883</u>	<u>(881,147)</u>

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


Jamie Bradshaw
Director

Date: 21 July 2016

The notes on pages 13 to 30 form part of these financial statements.

GREEN NETWORK UK PLC

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2015**

	Share capital €	Retained earnings €	Total equity €
At 1 January 2015	100,000	(981,147)	(881,147)
Comprehensive income for the year			
Profit for the year	-	2,030,006	2,030,006
Total comprehensive income for the year	-	2,030,006	2,030,006
Shares issued during the year	997,024	-	997,024
At 31 December 2015	<u>1,097,024</u>	<u>1,048,859</u>	<u>2,145,883</u>

As at 31 December 2015, included within retained earnings was an unrealised accumulated loss of €522,866 (31 December 2014: loss of €2,713,466) relating to losses (2014: losses) on derivative financial instruments which have been restated to fair value at the balance sheet date. Deferred tax assets in respect of these amounts totalled €104,573 (2014: €542,693). These amounts are not available for distribution to shareholders. The total distributable portion of retained earnings was €1,467,152 (31 December 2014: €1,189,626).

During the year the loan from the parent company of €997,024 was converted into share capital.

The notes on pages 13 to 30 form part of these financial statements.

GREEN NETWORK UK PLC

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2014**

	Share capital €	Retained earnings €	Total equity €
At 1 January 2014	100,000	(4,117,912)	(4,017,912)
Comprehensive income for the year			
Profit for the year	-	3,136,765	3,136,765
Total comprehensive income for the year	-	3,136,765	3,136,765
At 31 December 2014	<u>100,000</u>	<u>(981,147)</u>	<u>(881,147)</u>

The notes on pages 13 to 30 form part of these financial statements.

GREEN NETWORK UK PLC

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 €	2014 €
Cash flows from operating activities		
(Loss)/profit for the year	2,030,006	3,136,765
Adjustments for:		
Taxation	526,013	818,435
Interest paid	936,351	329
Interest received	(712)	(2,495)
Depreciation and amortisation	73,366	12,524
Decrease/(increase) in debtors	19,677,803	(16,756,002)
Decrease in related party debtors and accrued income	15,345,739	15,409,341
Decrease in creditors	(30,798,951)	(1,242,211)
Decrease in related party creditors and accrued costs	(6,679,068)	1,502,272
Gain on financial instruments at fair value through profit or loss	(2,190,598)	(2,682,826)
Corporation tax paid	(281,870)	(57,054)
Net cash generated from operating activities	<u>(1,361,921)</u>	<u>139,078</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(21,732)	(83,691)
Purchase of intangible fixed assets	(257,000)	-
Purchase of share in associates	-	(60,000)
Sale of share in associates	60,000	-
Interest received	712	2,495
Net cash from investing activities	<u>(218,020)</u>	<u>(141,196)</u>
Cash flows from financing activities		
Interest paid	(437,500)	(329)
Net cash used in financing activities	<u>(437,500)</u>	<u>(329)</u>
Net decrease in cash and cash equivalents	<u>(2,017,441)</u>	<u>(2,447)</u>
Cash and cash equivalents at beginning of year	3,003,597	3,006,044
Cash and cash equivalents at the end of year	<u><u>986,156</u></u>	<u><u>3,003,597</u></u>
Cash at bank and in hand	986,156	3,003,597
	<u><u>986,156</u></u>	<u><u>3,003,597</u></u>

The notes on pages 13 to 30 form part of these financial statements.

GREEN NETWORK UK PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Green Network UK Plc is a company registered in England and Wales under registration number 08241751. The registered office is New Kings Court Tollgate, Chandlers Ford, Eastleigh, SO53 3LG. Its principal trading address is 2nd floor, 25 Hanover Square, London, W1S 1JF. The nature of the company's operations is the trading of electrical energy.

The financial statements have been prepared under the historical cost convention and, where applicable, fair value accounting, in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. Information on the impact of first-time adoption of FRS 102 is given in note 25. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies.

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirements to do so under section 400 Companies Act 2006 as it is a subsidiary undertaking of SC Holdings Srl, a company incorporated in Italy, and is included in the consolidated accounts of that company.

Going concern

The company meets its day to day working capital requirements through continued financial support from the parent company Green Network SpA. The company also makes use of forward contracts to manage its cash requirements in accordance with its forecasts. After making enquiries the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

The following principal accounting policies have been applied:

1.2 ASSOCIATES AND JOINT VENTURES

Associates and Joint Ventures are held at cost less accumulated impairment losses.

1.3 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue represents amounts receivable for electricity supplied net of VAT. Revenue is recognised on an accruals basis as and when the electricity is supplied.

GREEN NETWORK UK PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.4 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Fixtures and fittings	-	25%	straight line
Office equipment	-	33%	straight line
Computer equipment	-	33%	straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the Statement of Comprehensive Income.

1.5 INTANGIBLE FIXED ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

Amortisation charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method. The estimated useful lives range is as follows:

Computer software:	4 years
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1.6 OPERATING LEASES: LESSEE

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

GREEN NETWORK UK PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.7 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted company shares, which have been classified as fixed asset investments as the company intends to hold them on a continuing basis are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period.

1.8 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.9 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

1.10 FINANCIAL INSTRUMENTS

The company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

GREEN NETWORK UK PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.10 FINANCIAL INSTRUMENTS (continued)

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

At fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;

At cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The company enters into various contracts for the sale and purchase of energy and to mitigate price risks on their activities. Contracts which are for the forward purchase or sale of energy are treated as purchases and sales in the ordinary course of business and therefore not recognised as financial instruments, but are disclosed as commitments at the balance sheet date. Contracts entered into to manage price risk and which do not result in the physical delivery of energy are treated as financial instruments and are recognised at fair value with changes in value recognised directly in the statement of comprehensive income. The company does not hedge account for such transactions. The valuation method used to determine the fair value is described in note 2.

1.11 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.12 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The company's functional and presentational currency is Euros.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

GREEN NETWORK UK PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.12 FOREIGN CURRENCY TRANSLATION (continued)

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'administrative expenses'.

1.13 FINANCE COSTS

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.14 INTEREST INCOME

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

1.15 TAXATION

The taxation expense for the year comprises current tax recognised in the reporting period and is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are not discounted.

GREEN NETWORK UK PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Financial instruments

The company enters into various contracts for the sale and purchase of energy and to mitigate price risks on their activities. Contracts entered into to manage price risk and which do not result in the physical delivery of energy are treated as financial instruments and are recognised at fair value with changes in value recognised directly in the statement of comprehensive income. These grant the company the right to buy or sell energy at a fixed price over the life of the contracts. The fair value of these contracts as at the balance sheet date has been calculated using a weighted average forward price for delivery over the life of the contracts as published by the European Energy Exchange. Any gain or loss is recognised in the Statement of Comprehensive Income.

3. ANALYSIS OF TURNOVER

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

	2015 €	2014 €
Italy	7,003,274	66,693,457
Switzerland	-	14,917,147
Austria	-	5,585,826
France	-	49,897,601
Germany	110,917,560	155,891,422
	<u>117,920,834</u>	<u>292,985,453</u>

All turnover arose from the company's principal activity.

4. OPERATING PROFIT

The operating profit is stated after charging:

	2015 €	2014 €
Depreciation of tangible fixed assets	73,365	15,561
Payments under operating leases – rent	1,120,721	832,213
Fees payable to the company's auditor for the audit of the company's annual accounts	21,034	36,628
Exchange differences	<u>75,567</u>	<u>51,067</u>

5. AUDITORS' REMUNERATION

	2015 €	2014 €
Fees payable to the company's auditor for the audit of the company's annual accounts	21,034	21,000
Audit-related assurance services	-	12,500
	<u>21,034</u>	<u>33,500</u>

GREEN NETWORK UK PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

6. EMPLOYEES

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

	2015	2014
	€	€
Wages and salaries	1,005,225	486,454
Social security costs	123,451	58,405
Staff accommodation	645,641	494,431
	<u>1,774,317</u>	<u>1,039,290</u>

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

	2015	2014
	No.	No.
Administration - directors	1	1
Staff	9	5
	<u>10</u>	<u>6</u>

7. DIRECTORS' REMUNERATION

	2015	2014
	€	€
Directors' salary	315,567	105,570
Directors' accommodation	520,382	424,556
	<u>835,949</u>	<u>530,126</u>

The highest paid director received remuneration of €835,949 (2014 - €530,126).

8. INTEREST RECEIVABLE

	2015	2014
	€	€
Other interest receivable	712	2,495
	<u>712</u>	<u>2,495</u>

GREEN NETWORK UK PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	€	€
Other interest payable	479,711	-
Interest payable to group undertakings	456,640	329
	<u>936,351</u>	<u>329</u>

10. TAXATION

	2015	2014
	€	€
Corporation tax		
Current tax on profits for the year	34,250	281,870
Deferred tax (note 17)	491,763	536,565
Total current tax	<u>526,013</u>	<u>818,435</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

Further reductions to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2014 on 2 July 2014. These reduce the main tax rate to 21% from 1 April 2015 and to 20% from 1 April 2016. The deferred tax assets and liabilities reflect these rates.

The tax assessed for the year is lower (2014 – lower) than the standard rate of corporation tax in the UK of 20% (2014 -21%). The differences are explained below:

	2015	2014
	€	€
Profit on ordinary activities before tax	<u>2,556,019</u>	<u>3,955,200</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 21%)	511,204	830,592
Effects of:		
Expenses not deductible for tax purposes	1,680	19,077
Deferred tax not recognised	-	(10,871)
Deferred tax prior year	10,871	-
Difference in tax rates	<u>2,258</u>	<u>(20,363)</u>
Total tax charge for the year	<u>526,013</u>	<u>818,435</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

GREEN NETWORK UK PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

11. INTANGIBLE FIXED ASSETS

	Computer software	Total
	€	€
Cost or valuation		
At 1 January 2015	-	-
Additions	257,000	257,000
At 31 December 2015	<u>257,000</u>	<u>257,000</u>
Depreciation		
At 1 January 2015	-	-
Charge for the period	44,000	44,000
31 December 2015	<u>44,000</u>	<u>44,000</u>
At 31 December 2015	<u>213,000</u>	<u>213,000</u>
At 31 December 2014	<u>-</u>	<u>-</u>

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings	Office equipment	Computer equipment	Total
	€	€	€	€
Cost or valuation				
At 1 January 2015	19,416	32,890	36,718	89,024
Additions	-	6,948	14,784	21,732
At 31 December 2015	<u>19,416</u>	<u>39,838</u>	<u>51,502</u>	<u>110,756</u>
Depreciation				
At 1 January 2015	3,037	4,568	6,479	14,084
Charge for the period	4,095	10,675	14,596	29,366
At 31 December 2015	<u>7,132</u>	<u>15,243</u>	<u>21,075</u>	<u>43,450</u>
At 31 December 2015	<u>12,284</u>	<u>24,595</u>	<u>30,427</u>	<u>67,306</u>
At 31 December 2014	<u>16,379</u>	<u>28,322</u>	<u>30,239</u>	<u>74,940</u>

GREEN NETWORK UK PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

13. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies €	Investments in associates €	Total €
Cost or valuation			
At 1 January 2015	-	60,000	60,000
Additions	10,000	-	10,000
Disposals	-	(60,000)	(60,000)
At 31 December 2015	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net book value			
At 31 December 2015	<u><u>10,000</u></u>	<u><u>-</u></u>	<u><u>10,000</u></u>
At 31 December 2014	<u><u>-</u></u>	<u><u>60,000</u></u>	<u><u>60,000</u></u>

During the year, the company sold its entire investment in its associated company Network for Trading doo at cost to a third party. The price received was RSD 6,957,102 which is the equivalent of EUR 60,000 in Serbian Dinars.

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity	Aggregate of share capital and reserves €
Green Network Power & Gas Limited	United Kingdom	Ordinary	100%	Dormant	10,000

During the year the company acquired a new subsidiary on its incorporation on 4 June 2015. The subsidiary, Green Network Power & Gas Limited was dormant throughout the year. The company made neither profit nor loss during the year.

GREEN NETWORK UK PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

14. DEBTORS

	2015	2014
	€	€
Due after more than one year		
Trade debtors	405,103	1,132,684
	<u>405,103</u>	<u>1,132,684</u>
Due within one year		
Trade debtors	-	3,481,459
Amounts owed by group undertakings	12,959,656	18,032,929
Amounts owed by associated undertakings	-	440,000
Accrued income from group undertakings	7,966,685	17,809,150
Prepayments and accrued income	211,042	15,684,097
Other debtors	239,240	234,948
Financial assets - derivative financial instruments	10,340	825,299
Deferred tax asset (note 17)	50,930	542,693
	<u>21,437,893</u>	<u>57,050,575</u>

Debtors due in more than one year relate to trading deposits held by third parties until the termination of the trading relationship. Therefore, since there is no fixed date of redemption, these balances have not been discounted.

Amounts owed by group and associated undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

15. CASH AND CASH EQUIVALENTS

	2015	2014
	€	€
Cash at bank and in hand	986,156	3,003,597
	<u>986,156</u>	<u>3,003,597</u>

GREEN NETWORK UK PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

16. CREDITORS: Amounts falling due within one year

	2015 €	2014 €
Trade creditors	13,457,159	21,332,791
Amounts owed to group undertakings	519,332	3,053,300
Parent company loan	-	997,024
Corporation tax	34,250	281,870
Other taxation and social security	22,535	23,440
Accrued costs from group undertakings	42,127	3,688,376
Accruals and deferred income	6,364,966	29,287,378
Other creditors	-	-
Financial liabilities - derivative financial instruments	533,206	3,538,764
	<u>20,973,575</u>	<u>62,202,943</u>

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

17. Deferred tax

Asset	2015 €	2014 €
At beginning of year	542,693	1,079,258
Charge for the year	(491,763)	(536,565)
At end of year	<u>50,930</u>	<u>542,693</u>
The provision for deferred taxation is made up of the following:		
Provision for losses on financial instruments	104,573	542,693
Capital allowances in excess of depreciation	(53,643)	-
Total	<u>50,930</u>	<u>542,693</u>

GREEN NETWORK UK PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

18. FINANCIAL INSTRUMENTS

The table below sets out the company's FRS 102 classification of each of its financial assets and liabilities at 31 December 2015. All amounts not held at fair value are stated at their carrying value which approximates to fair value.

	2015 €	2014 €
Financial assets		
Equity instruments measured at cost less impairment	10,000	60,000
Financial assets at fair value through profit or loss	10,340	825,299
Debt instruments measured at amortised cost	22,556,840	44,134,767
	<u>22,577,180</u>	<u>45,020,066</u>
Financial liabilities		
Financial liabilities at fair value through profit or loss	533,206	3,538,764
Financial liabilities measured at amortised cost	20,383,584	58,358,869
	<u>20,916,790</u>	<u>61,897,633</u>

Financial assets at amortised cost comprise cash, short-term deposits, short term and long term trade and other debtors, including amounts owed by group companies, and accrued income. Financial liabilities at amortised cost comprise short term trade and other creditors, including amounts owed to group companies and accruals. Financial assets at fair value include derivative financial contracts which replicate the forward sale of energy. Financial liabilities at fair value include derivative financial contracts which replicate the forward purchase of energy.

The company mitigates the risk of adverse movements in energy prices by using derivative financial instruments in the form of derivative contracts which replicate the forward purchase and sale of energy. These grant the company the right to buy or sell energy at a fixed price over the life of the contracts. The fair value of these contracts as at the balance sheet date has been calculated using a weighted average forward price for delivery over the life of the contracts as published by the European Energy Exchange. Any gain or loss is recognised in the Statement of Comprehensive Income.

The company enters into various contracts for the sale and purchase of energy and to mitigate price risks on their activities. Contracts which are for the forward purchase or sale of energy are treated as purchases and sales in the ordinary course of business and therefore not recognised as financial instruments, but are disclosed as commitments at the balance sheet date. Contracts entered into to manage price risk and which do not result in the physical delivery of energy are treated as financial instruments and are recognised at fair value with changes in value recognised directly in the statement of comprehensive income. The company does not hedge account for such transactions. At the balance sheet date the company had recognised financial liabilities with a fair value of €533,206 (2014: €3,538,764) in relation to these contracts. The amount that the company is contractually obliged to pay on maturity in respect of these contracts recognised as financial liabilities as at 31 December 2015 was €16,182,956 (2014: €65,989,798). In addition, at the balance sheet date the company had recognised financial assets in relation to contracts with third parties with a fair value of €10,340 (2014: €825,299). The amount that the company is contractually entitled to receive in respect of these contracts was €629,664 (2014: €13,474,278). The income recognised in the income statement in respect of these fair value adjustments was a gain of €363,099 (2014: €3,576,719). These contracts all require delivery within one year.

At the balance sheet date the amount that the company was contractually obliged to pay on maturity in respect of the physical contracts for the forward purchase and sale of energy was €nil (2014: €115,162). The amount that the company was contractually entitled to receive in respect of these contracts was €nil (2014: €136,601,513). These contracts all require delivery within one year.

GREEN NETWORK UK PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

19. RESERVES

Profit and loss account

The profit and loss account comprises the balance of profits accumulated over the life of the company.

20. SHARE CAPITAL

	2015 €	2014 €
Allotted, called up and fully paid		
1,097,024 (2014: 100,000 Ordinary shares of €1 each)	<u>1,097,024</u>	<u>100,000</u>

During the year the loan from the parent company of €997,024 was converted into ordinary share capital.

21. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2015 the company had the following minimum lease payments under non-cancellable operating leases for each of the following periods:

	2015 €	2014 €
Not later than 1 year	-	55,213
Total	<u>-</u>	<u>55,213</u>

22. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available in accordance with FRS 102 not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary of the group to which it is a party to the transactions.

The company had the following related party transactions with parties not wholly owned by the group during the year:

	Amounts invoiced 2015 €	Amounts accrued 2015 €	Amounts invoiced 2014 €	Amounts accrued 2014 €
Green Network SpA				
Sales	107,860,160	7,966,685	165,783,966	14,133,201
Purchases	572,539	42,127	7,361,912	-
Interest paid	456,640	-	329	-

GREEN NETWORK UK PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

22. RELATED PARTY TRANSACTIONS (Continued)

At the year end the following balances were due from/(owed to) related parties:

Related party	Included in	2015 balance €	2014 balance €
Green Network SpA	Parent company loan	-	(997,024)
Green Network SpA	Accrued cost from group undertakings	(42,127)	-
Green Network SpA	Amounts owed by group undertakings	12,958,245	18,032,929
Green Network SpA	Amounts owed to group undertakings	(498,851)	-
Green Network SpA	Accrued income from group undertakings	7,966,685	14,133,201
Network for Trading doo	Amounts owed by associated undertakings	-	440,000
Fibonacci Engergia Srl	Amounts owed to group undertakings	-	(11,597)
Fibonacci Engergia Srl	Accrued cost from group undertakings	-	(2,131,719)
Fibonacci Engergia Srl	Accrued income from group undertakings	-	2,124,502
Green Trading 5 Srl	Amounts owed to group undertakings	-	(15,374)
Green Trading 7 Srl	Amounts owed to group undertakings	-	(12,964)
Green Trading 9 Srl	Amounts owed to group undertakings	-	(18,625)
Green Trading 10 Srl	Amounts owed to group undertakings	-	(18,736)
Green Network Luce & Gas Srl	Amounts owed to group undertakings	(10,481)	(2,969,049)
La Place Energia Srl	Amounts owed to group undertakings	-	(6,955)
La Place Energia Srl	Accrued cost from group undertakings	-	(1,556,657)
La Place Energia Srl	Accrued income from group undertakings	-	1,551,447
Green Network Power & Gas Limited	Amounts owed to group undertakings	(10,000)	-

Green Network SpA is the immediate parent company. Network for Trading doo is an associate company. Fibonacci Engergia Srl, Green Trading 5 Srl, Green Trading 7 Srl, Green Trading 9 Srl, Green Trading 10 Srl, Green Network Luce & Gas Srl and La Place Engergia are all 100% subsidiaries of the group headed by SC Holdings Srl. Green Network Power & Gas limited is a 100% subsidiary.

The company had the following transactions with Orsa Saiwai Limited, a company incorporated in the United Kingdom; of which the director, David Tuomey, is also a director: administrative fees payable were €156,059 (2014: €62,960) including an accrual at the year-end of €nil (2014: €15,019)

23. CONTROLLING PARTY

The immediate parent company is Green Network SpA, a company incorporated in Italy. The ultimate parent company is SC Holdings Srl, a company incorporated in Italy. The ultimate controlling party is the director Sabrina Corbo.

The smallest and largest group in which the results of Green Network Trading UK Plc are consolidated is that headed by SC Holdings Srl. The consolidated financial statements of SC Holdings Srl are available to the public from:

SC Holdings Srl
Rome
C.A.P 00198
Italy

GREEN NETWORK UK PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

24. POST BALANCE SHEET EVENTS

Subsequent to the year end, on 22 January 2016, the company acquired 100% of the share capital in Green Network Energy Ltd, a company incorporated in England and Wales.

On 2 January 2016, the company has been offered a loan facility of € 5,000,000 by the parent company Green Network S.p.A. This loan carries annual fixed interest rate of 2%, is repayable within a year and renewable with written notice.

25. FIRST TIME ADOPTION OF FRS 102

These financial statements for the year ended 31 December 2015 are the first financial statements of Green Network Trading UK Plc that comply with FRS 102. The date of transition to FRS 102 is 1 January 2014.

The transition to FRS 102 has resulted in a small number of changes in accounting policies compared to those used previously.

The following notes to the financial statements describe the differences between equity and profit or loss previously presented, and the amounts as restated to comply with the accounting policies selected in accordance with FRS 102 for the reporting period ended 31 December 2014 (i.e. comparative information).

GREEN NETWORK UK PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

25. FIRST TIME ADOPTION OF FRS 102 (continued)

	Note	As previously stated 1 January 2014 €	Effect of transition 1 January 2014 €	FRS 102 (as restated) 1 January 2014 €	As previously stated 31 December 2014 €	Effect of transition 31 December 2014 €	FRS 102 (as restated) 31 December 2014 €
Fixed assets		3,774	-	3,774	134,940	-	134,940
Current assets	1	58,474,651	1,799,155	60,273,806	59,818,864	1,367,992	61,186,856
Creditors: amounts falling due within one year (including deferred tax)	1	(58,179,304)	(6,116,188)	(64,295,492)	(58,664,179)	(3,538,764)	(62,202,943)
Net current assets (before deferred tax)		295,347	(4,317,033)	(4,021,686)	1,154,685	(2,170,772)	(1,016,087)
Total assets less current liabilities		299,121	(4,317,033)	(4,017,912)	1,289,625	(2,170,772)	(881,147)
Net assets		299,121	(4,317,033)	(4,017,912)	1,289,625	(2,170,772)	(881,147)
Capital and reserves		299,121	(4,317,033)	(4,017,912)	1,289,625	(2,170,772)	(881,147)

GREEN NETWORK UK PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

25. FIRST TIME ADOPTION OF FRS 102 (continued)

	Note	As previously stated 31 December 2014 €	Effect of transition 31 December 2014 €	FRS 102 (as restated) 31 December 2014 €
Turnover		292,985,453	-	292,985,453
Cost of sales		(289,656,494)	-	(289,656,494)
		<u>3,328,959</u>	-	<u>3,328,959</u>
Administrative expenses		(2,058,751)	-	(2,058,751)
Other operating income	1	-	2,682,826	2,682,826
		<u>1,270,208</u>	<u>2,682,826</u>	<u>3,953,034</u>
Operating profit		1,270,208	2,682,826	3,953,034
Interest receivable and similar income		2,495	-	2,495
Interest payable and similar charges		(329)	-	(329)
Taxation	1	(281,870)	(536,565)	(818,435)
		<u>990,504</u>	<u>2,146,261</u>	<u>3,136,765</u>
Profit on ordinary activities after taxation and for the financial year		990,504	2,146,261	3,136,765

Explanation of changes to previously reported profit and equity:

1 As a result of transition the company has restated its financial instruments in relation to contracts entered into to manage price risk and which do not result in the physical delivery of energy to their fair value. This has resulted in the creation of financial assets at fair value through profit or loss as at 31 December 2014 of €825,299 (1 January 2014: €719,897) and financial liabilities held at fair value through profit or loss amounting to €3,538,764 (1 January 2014: €6,116,188) and the previously reported profit for the year to 31 December 2014 of €990,504 has been restated as a profit of €3,136,765. This fair value adjustment of €2,146,261 was also debited to retained earnings. A deferred tax asset at 31 December 2014 of €542,693 (1 January 2014: €1,079,258) in respect of these unrealised losses has also been recognised with the movement in the year having been debited to the Statement of Comprehensive Income.

GREEN NETWORK UK PLC

**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 €	2014 €
Turnover	117,920,834	292,985,453
Cost of sales	(111,124,686)	(290,550,387)
Gross profit	<u>6,796,148</u>	<u>2,435,066</u>
Less: overheads		
Administration expenses	(3,667,589)	(2,058,751)
Operating profit	<u>3,128,559</u>	<u>376,315</u>
Interest receivable	712	2,495
Interest payable	(936,351)	(329)
Gain on financial instruments at fair value through profit of loss	363,099	3,576,719
Tax on profit on ordinary activities	(526,013)	(818,435)
(Loss)/Profit for the year	<u>2,030,006</u>	<u>3,136,765</u>

GREEN NETWORK UK PLC

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

TURNOVER

	2015 €	2014 €
Italy	7,003,274	66,693,457
Switzerland	-	14,917,147
Austria	-	5,585,826
France	-	49,897,601
Germany	110,917,560	155,891,422
	<u>117,920,834</u>	<u>292,985,453</u>

COST OF SALES

	2015 €	2014 €
Cost of sales		
Purchases	111,124,686	290,550,387
	<u>111,124,686</u>	<u>290,550,387</u>

ADMINISTRATION EXPENSES

	2015 €	2014 €
Administration expenses		
Directors salaries	315,567	105,570
Staff salaries	689,658	380,884
Staff national insurance	123,451	58,405
Staff training	4,811	15,737
Staff welfare	645,641	494,431
Entertainment	706	-
Hotels, travel and subsistence	121,438	170,150
Printing and stationery	5,074	6,262
Telephone and fax	13,258	8,583
Computer costs	194,408	6,729
Legal and professional	439,403	125,597
Auditors' remuneration	64,495	36,628
Bank charges	7,359	9,757
Difference on foreign exchange	75,567	51,067
Sundry expenses	14,095	3,353
Rent - operating leases	390,252	337,782
Repairs and maintenance	-	252
Depreciation - office equipment	10,675	4,568
Depreciation - computer equipment	14,596	4,920
Depreciation - other fixed assets	48,095	3,037
Administrative charges	458,828	188,818

GREEN NETWORK UK PLC

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Administration expenses (continued)

Internet costs	28,170	32,815
Companies House fees	2,042	3,775
Staff welfare	-	9,631
	<u>3,667,589</u>	<u>2,058,751</u>

INTEREST RECEIVABLE

	2015 €	2014 €
Interest receivable		
Bank interest receivable	712	2,495
	<u>712</u>	<u>2,495</u>

INTEREST PAYABLE

	2015 €	2014 €
Interest payable		
Group interest payable	456,640	329
Other loan interest payable	479,711	-
	<u>936,351</u>	<u>329</u>