

**REPORTS AND FINANCIAL STATEMENTS**  
**NATURAL GAS FINANCE LIMITED**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**NATURAL GAS FINANCE LIMITED**  
**DIRECTORS AND OTHER INFORMATION**

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**DIRECTORS**

M.G. O'Sullivan  
C. McCarthy

**SECRETARY**

L. O'Riordan (appointed 12 December 2014)  
R. O'Sullivan (resigned 12 December 2014)

**REGISTERED OFFICE**

Webworks  
Eglinton Street  
Cork

**SOLICITORS**

O'Flynn Exhams & Partners  
58 South Mall  
Cork

**BANKERS**

Allied Irish Banks Plc  
40/41 Westmoreland Street  
Dublin 1

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**AUDITOR**

Deloitte  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2

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## **NATURAL GAS FINANCE LIMITED**

### **DIRECTORS' REPORT**

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The directors present their annual report and the audited financial statements of Natural Gas Finance Limited ('the Company') for the year ended 31 December 2014.

#### **PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS**

The Company is a wholly owned subsidiary of Ervia (formerly Bord Gáis Éireann). The Company provided finance to customers from the Energy division of Ervia for the acquisition of equipment and appliances. Such finance was provided by way of loans to customers and by way of acting as an intermediary party in the financing of equipment used by customers of Ervia. From 28 February 2007, the Company ceased to provide new loans to customers. The loan balance due from customers has been fully provided for in the current year.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The directors believe that the Company currently faces no risks or uncertainties.

#### **RESULTS**

The statement of comprehensive income for the year ended 31 December 2014 and balance sheet as at 31 December 2014 are set out on pages 8 and 9 respectively.

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#### **ACCOUNTING RECORDS**

To ensure that proper books and accounting records are kept in accordance with Sections 281-285 of the Companies Act 2014, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The accounting records are located at Webworks, Eglinton Street, Cork.

#### **DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES**

The names of the persons who were directors at any time during and since the year ended 31 December 2014 are set out below:

M.G. O'Sullivan  
C. McCarthy

In accordance with the Articles of Association, the directors are not required to retire by rotation. The directors and secretary had no interest in the share capital of the Company at any time during the year. M.G. O'Sullivan and the company secretary are beneficiaries of the Employee Share Ownership Plan of Ervia, the ultimate parent undertaking.

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**NATURAL GAS FINANCE LIMITED**

**DIRECTORS' REPORT**

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**SUBSEQUENT EVENTS**


At the date of approval of the financial statements the directors are not aware of any post balance sheet events that require adjustment or disclosure to be made in the financial statements.

**AUDITOR**

The auditor, Deloitte, Chartered Accountants and Statutory Audit Firm, continues in office in accordance with Section 383(2) of the Companies Act 2014.

For and on behalf of Natural Gas Finance Limited:

  
Director  
M.G. O'SULLIVAN

  
Director  
C. MCCARTHY

  
Date of Approval

## NATURAL GAS FINANCE LIMITED

### DIRECTORS' RESPONSIBILITY STATEMENT

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Irish company law requires the directors to prepare financial statements giving a true and fair view of the assets, liabilities, and financial position of the Company and the profit or loss of the Company for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. In preparing those financial statements, the directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.


The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities and financial position and income statement of the Company and to enable them to ensure that the financial statements are prepared in accordance with IFRS as adopted by the European Union and comply with Irish statute comprising the Companies Act 2014. 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.

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Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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For and on behalf of Natural Gas Finance Limited:

  
Director  
M.G. O'SULLIVAN

  
Director  
C. MCCARTHY

23/09/2015  
Date of Approval

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATURAL GAS FINANCE LIMITED

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We have audited the financial statements of Natural Gas Finance Limited for the financial year ended 31 December 2014 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes 1 to 9. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and International Financial Reporting Standards (IFRS) as adopted by the European Union ("relevant financial reporting framework").

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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 auditor's 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 auditor**

As explained more fully in the Directors' Responsibility Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with the Companies Act 2014 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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### **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 Reports and Financial Statements for the year ended 31 December 2014 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 assets, liabilities and financial position of the Company as at 31 December 2014 and of the loss for the year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS  
OF NATURAL GAS FINANCE LIMITED**

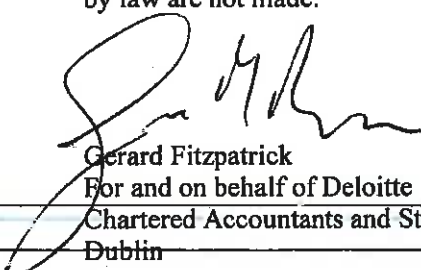
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**Matters on which we are required to report by the Companies Act 2014**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report 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 provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.



Gerard Fitzpatrick  
For and on behalf of Deloitte  
Chartered Accountants and Statutory Audit Firm  
Dublin

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Date:

23/9/2015

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**NATURAL GAS FINANCE LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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	2014 €'000	2013 €'000
Income	-	19
Operating costs	<u>(57)</u>	—
<b>OPERATING (LOSS)/PROFIT</b>	<u>(57)</u>	<u>19</u>
<b>(LOSS)/PROFIT FOR THE YEAR</b>	<u>(57)</u>	<u>19</u>

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**NATURAL GAS FINANCE LIMITED**

**BALANCE SHEET AS AT 31 DECEMBER 2014**

	Notes	2014 €'000	2013 €'000
<b>ASSETS</b>			
Trade and other receivables	3	<u>9,116</u>	<u>9,121</u>
<b>Total non-current assets</b>		<u>9,116</u>	<u>9,121</u>
Trade and other receivables	3	—	<u>67</u>
<b>Total current assets</b>		—	<u>67</u>
<b>TOTAL ASSETS</b>		<u>9,116</u>	<u>9,188</u>
<b>EQUITY AND LIABILITIES</b>			
Called up share capital presented as equity	4	—	—
Retained earnings	5	<u>(9,116)</u>	<u>(9,173)</u>
<b>TOTAL EQUITY</b>		<u>(9,116)</u>	<u>(9,173)</u>
<b>LIABILITIES</b>			
Cash and cash equivalents	6	—	<u>(3)</u>
Trade and other payables	7	—	<u>(12)</u>
<b>Total current liabilities</b>		—	<u>(15)</u>
<b>TOTAL LIABILITIES</b>		—	<u>(15)</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>(9,116)</u>	<u>(9,188)</u>

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

  
 Director  
 M.G. O'SULLIVAN

  
 Director  
 C. MCCARTHY

23/01/2015  
 Date of Approval

**NATURAL GAS FINANCE LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 €'000	2013 €'000
<b>Cash flows from operating activities</b>			
(Loss)/profit for the year		(57)	19
Working capital changes:			
Change in trade and other receivables		72	(13)
Change in trade and other payables		<u>(12)</u>	<u>(1)</u>
<b>Net cash generated from operating activities</b>		<u>3</u>	<u>5</u>
<b>Cash flows from financing activities</b>			
Loans advanced		-	(5)
<b>Net cash used in financing activities</b>		-	(5)
<b>Net increase in cash and cash equivalents</b>	6	3	-
Cash and cash equivalents at 1 January	6	(3)	(3)
<b>Cash and cash equivalents at 31 December</b>		<u>=</u>	<u>(3)</u>

NATURAL GAS FINANCE LIMITED

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>Share capital €'000</b>	<b>Retained earnings €'000</b>	<b>Total €'000</b>
Balance at 31 December 2013	<u>-</u>	<u>9,173</u>	<u>9,173</u>
Loss for the year	<u>-</u>	<u>(57)</u>	<u>(57)</u>
Balance at 31 December 2014	<u>-</u>	<u>9,116</u>	<u>9,116</u>

## NATURAL GAS FINANCE LIMITED

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

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#### 1. STATEMENT OF ACCOUNTING POLICIES

The significant accounting policies adopted by the Company are as follows:

##### 1.1. Basis of preparation

Natural Gas Finance Limited (the Company) is a wholly owned subsidiary of Ervia (formerly Bord Gáis Éireann). In common with other subsidiaries, the financial statements of the Company reflect the effect of such group membership. The Company provided finance to customers from the Energy division of Ervia for the acquisition of equipment and appliances. Such finance was provided by way of loans to customers and by way of acting as an intermediary party in the financing of equipment used by customers of Ervia. From 28 February 2007, the Company ceased to provide new loans to customers. The Company avails of administrative facilities of Ervia.

The financial statements are presented in euro and are prepared on a historical cost basis.

##### i. Statement of Compliance

The financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU ('EU IFRS'), International Financial Reporting Interpretations Committee ('IFRIC') interpretations and in accordance with the Companies Act 2014.

The financial statements have been prepared in accordance with those IFRS and IFRIC interpretations issued and effective for accounting periods ending on or before 31 December 2014.

##### ii. Use of estimates and judgements

The preparation of the financial statements, in conforming with IFRS, requires the use of judgements, estimates and assumptions in determining the value of assets and liabilities, income and expenses recorded for the year and positive and negative contingencies at year-end. Actual results in future financial statements may differ from current estimates due to changes in these assumptions or economic conditions.

The principal estimates and judgments are described below. Given their importance in the Company's financial statements, the impact of any change in assumption in these areas could be significant.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which these estimates are revised and in any future periods affected.

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**NATURAL GAS FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**1. STATEMENT OF ACCOUNTING POLICIES - continued**

**1.2. New accounting standards and interpretations**

**Table 1: New standards, amendments to standards and interpretations**

<b>Standard/Amendment</b>	<b>Effective Date (as endorsed by the EU)</b>	<b>Endorsed by the EU</b>
IFRS 10 Consolidated Financial Statements	1 January 2014	December 2012
IFRS 11 Joint Arrangements	1 January 2014	December 2012
IFRS 12 Disclosure of Interests in Other Entities	1 January 2014	December 2012
IAS 27 (2011) Separate Financial Statements	1 January 2014	December 2012
IAS 28 (2011) Investments in Associates and Joint Ventures	1 January 2014	December 2012
Amendment to IAS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2014	December 2012
Amendments to IFRS 10, 11, 12 Transition Guidance	1 January 2014	April 2013
Amendments to IFRS 10, 12 and IAS 27 Investment Entities	1 January 2014	November 2013
Amendment to IAS 36 Impairment of Assets	1 January 2014	December 2013
Amendment to IAS 39 Novation of Derivatives and Hedge Accounting	1 January 2014	December 2013

In the current year, the Company has applied a number of new and revised IFRS, as set out in table 1, that are mandatorily effective under IFRS, as endorsed by the EU, for accounting periods beginning on or after 1 January 2014.

The package of five standards on control, consolidation, joint arrangements, associates and disclosures, comprising IFRS 10, IFRS 11, IFRS 12, IAS 27 (2011), IAS 28 (2011), and the amendments to these standards set out in table 1, became effective on 1 January 2014 under IFRS as endorsed by the EU, with retrospective application for comparative periods presented.

IFRS 10 provides a single consolidation model that identifies control as the basis of consolidation for all types of entities. It replaces IAS 27 (2008) and SIC 12. IFRS 11 establishes principles for financial reporting by the parties to a joint arrangement, thereby replacing IAS 31 and amending IAS 28 (2008). IFRS 12 combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. The application of these new standards and amendments to standards did not have a material impact on the Company's financial statements for 2014.

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**NATURAL GAS FINANCE LIMITED**

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

**1. STATEMENT OF ACCOUNTING POLICIES - continued**

**1.2. New accounting standards and interpretations – continued**

**Table 2: New standards, amendments to standards and interpretations in issue but not yet effective**

<b>Standard/Amendment</b>	<b>IASB Effective Date</b>	<b>Endorsed by the EU</b>
IFRIC 21 Levies	1 January 2014	June 2014
Annual Improvements to IFRS 2011-2013	1 July 2014	December 2014
Annual Improvements to IFRS 2010-2012	1 July 2014	December 2014
Amendment to IAS 19 Defined Benefit Plans: Employee Contributions	1 July 2014	December 2014
Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016	(Outstanding)
Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016	(Outstanding)
Amendments to IAS 16 and IAS 41: Bearer Plants	1 January 2016	(Outstanding)
Amendments to IAS 27: Equity Method in Separate Financial Statements	1 January 2016	(Outstanding)
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016	(Outstanding)
Annual Improvements to IFRSs 2012–2014 Cycle	1 January 2016	(Outstanding)
Amendments to IAS 1: Disclosure Initiative	1 January 2016	(Outstanding)
Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception	1 January 2016	(Outstanding)
IFRS 15 Revenue from Contracts with Customers	1 January 2017	(Outstanding)
IFRS 14 Regulatory Deferral Accounts	1 January 2016	(Outstanding)
IFRS 9 (2010 and 2009) Financial instruments	1 January 2018	(Outstanding)

Table 2 sets out the standards, amendments to standards and interpretations that are in issue but are not yet effective under IFRS, as endorsed by the EU, for the year ended 31 December 2014 and thus have not been applied in preparing these financial statements.

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**NATURAL GAS FINANCE LIMITED**

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

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**1. STATEMENT OF ACCOUNTING POLICIES - continued**

**1.3. Financial assets**

**Non-derivative financial assets and liabilities**

***Cash and cash equivalents***

Cash and cash equivalents includes cash in hand, deposits repayable on demand and other short-term highly liquid investments with original maturities of three months or less, less overdrafts payable on demand.

***Trade and other receivables***

Trade and other receivables are initially recognised at fair value, which is usually the original invoiced amount net of transaction costs, and are subsequently carried at this value less an appropriate allowance for impairment losses.

Impairment losses are recognised where there is objective evidence of a dispute or inability to pay.

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***Trade and other payables***

Trade and other payables are initially recorded at fair value, which is usually the original invoiced amount net of transaction costs, and subsequently carried at amortised cost using the effective interest rate method.

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**2. STATUTORY INFORMATION**

The directors did not receive remuneration from the Company in both the current or prior year. The Company does not have any employees.

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NATURAL GAS FINANCE LIMITED

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

<b>3. TRADE AND OTHER RECEIVABLES</b>	<b>2014</b>	<b>2013</b>
	<b>€'000</b>	<b>€'000</b>
<b>Non-current:</b>		
Amounts due from parent company	9,116	9,119
Amounts due from group company	<u>-</u>	<u>2</u>
	<b><u>9,116</u></b>	<b><u>9,121</u></b>
<b>Current:</b>		
Loans to customers	<u>-</u>	<u>67</u>
	<b><u>-</u></b>	<b><u>67</u></b>

The carrying value of receivables is approximately equal to their fair value. There are no specific payment terms on the amounts due from related parties and none are considered past due or impaired. The Company does not have any significant credit risk exposure to any single counterparty or group of counterparties having similar characteristics.

~~The loan balance due from customers in the current year has been fully provided for. In the prior year, the loan balance due from customers is stated at net of a provision for bad debts of €443,000.~~

<b>4. CALLED UP SHARE CAPITAL PRESENTED AS EQUITY</b>	<b>2014</b>	<b>2013</b>
	<b>€'000</b>	<b>€'000</b>
10,000 ordinary shares of €1.25 each	<u>13</u>	<u>13</u>
<b>Allotted, called up and fully paid:</b>		
2 ordinary shares of €1.25 each	<u>-</u>	<u>-</u>
<b>5. RETAINED EARNINGS</b>	<b>2014</b>	<b>2013</b>
	<b>€'000</b>	<b>€'000</b>
At 1 January	9,173	9,154
(Loss)/profit for the year ended	<u>(57)</u>	<u>19</u>
At 31 December	<b><u>9,116</u></b>	<b><u>9,173</u></b>

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NATURAL GAS FINANCE LIMITED

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

6.	CASH AND CASH EQUIVALENTS	2014 €'000	2013 €'000
	Bank overdraft		
	At 1 January	(3)	(3)
	Increase in cash and cash equivalents	<u>3</u>	<u>-</u>
	At 31 December	<u>-</u>	<u>(3)</u>
7.	TRADE AND OTHER PAYABLES	2014 €'000	2013 €'000
	Accruals	-	<u>12</u>
		<u>-</u>	<u>12</u>
8.	RELATED PARTY TRANSACTIONS		

During the year the Company entered into the following transactions with its parent and other group companies.

	2014 €'000	2013 €'000
<b>Loans (settled)/advanced and other costs charged</b>		
Ervia (parent company)	(3)	5
SWS Green Energy Limited	(2)	-
	<u>(5)</u>	<u>5</u>

The following balances were outstanding at the end of the reporting year:

	2014 €'000	2013 €'000
Ervia (parent company)	9,116	9,119
SWS Green Energy Limited	-	<u>2</u>
	<u>9,116</u>	<u>9,121</u>

9. SUBSEQUENT EVENTS

There have been no significant events affecting the Company since the financial year end requiring disclosure in the financial statements.

10. APPROVAL OF FINANCIAL STATEMENTS

The directors approved the financial statements on 23/09/2015