

REPORTS AND FINANCIAL STATEMENTS
ERVIA ENERGY TRADING LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2015

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ERVIA ENERGY TRADING LIMITED
DIRECTORS AND OTHER INFORMATION

DIRECTORS

M.G. O'Sullivan
G. Cowhig

SECRETARY

L. O'Riordan

REGISTERED OFFICE

Webworks
Eglinton Street
Cork

SOLICITORS

McCann Fitzgerald
Riverside One
Sir John Rogerson's Quay
Dublin 2

BANKERS

Allied Irish Banks Plc
Bankscentre
Ballsbridge
Dublin 4, Ireland

INDEPENDENT AUDITOR

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

COMPANY NUMBER

366180

ERVIA ENERGY TRADING LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of Ervia Energy Trading Limited ('the Company') for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

The Company is a subsidiary of Ervia. Previously the Company's main business activity was the marketing, purchase and sale of natural gas and tolling contracts in Ireland. The Company is dormant and currently there are no plans for future activity.

PRINCIPAL RISKS AND UNCERTAINTIES

Information concerning the principal risks and uncertainties facing the Company as required under the terms of the European Accounts Modernisation Directive (2003/51/EEC) (implemented in Ireland by the European Communities (International Financial reporting Standards and Miscellaneous Amendments) Regulations 2005), is set out in Note 3 to the financial statements.

RESULTS AND DIVIDENDS

The statement of comprehensive income for the year ended 31 December 2015 and balance sheet as at 31 December 2015 are set out on pages 8 and 9 respectively. The Company declared a dividend of €9,715,122 resulting in the settlement of its intercompany balance with its parent company, Ervia.

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 and secretary at any time during and since the year ended 31 December 2015 are set out below:

M.G. O'Sullivan
G. Cowhig
L. O'Riordan - Secretary

The directors and secretary had no interest in the share capital of the Company at any time during the year. M.G. O'Sullivan, G. Cowhig and the Company secretary are beneficiaries of the Employee Share Ownership Plan of Ervia, the ultimate parent undertaking.

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ERVIA ENERGY TRADING LIMITED

DIRECTORS' REPORT

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.

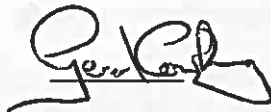
INDEPENDENT AUDITOR

The Independent 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 Ervia Energy Trading Limited:



Director
M.G. O'SULLIVAN



Director
G. COWHIG

14/10/2016

Date of Approval

ERVIA ENERGY TRADING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors' are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014 and the applicable regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("relevant financial reporting framework"). 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 assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

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 whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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 ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. 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.

For and on behalf of:



Director
M.G. O'SULLIVAN



Director
G. COWHIG

14/10/2016

Date of Approval

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ERVIA ENERGY TRADING LIMITED

We have audited the financial statements of Ervia Energy Trading Limited for the financial year ended 31 December 2015 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' 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 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.

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 2015 and of the result 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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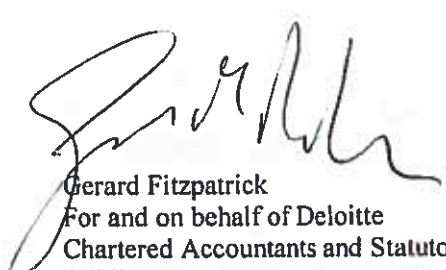
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ERVIA ENERGY TRADING LIMITED

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

Date:

27/10/16

ERVIA ENERGY TRADING LIMITED

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

The Company did not trade during the financial year or the preceding financial year and received no income and incurred no expenditure. Consequently during these years the Company made neither a profit nor a loss.

ERVIA ENERGY TRADING LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Notes	2015 €'000	2014 €'000
ASSETS			
Current assets			
Trade and other receivables	4	—	<u>9,715</u>
Total current assets		—	<u>9,715</u>
TOTAL ASSETS		—	<u>9,715</u>
EQUITY			
Called up share capital presented as equity	5	—	—
Retained Earnings		—	<u>9,715</u>
Total equity		—	<u>9,715</u>
TOTAL EQUITY AND LIABILITIES		—	<u>9,715</u>

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



Director
M.G. O'SULLIVAN



Director
G. COWHIG

16/12/2015

Date of Approval

ERVIA ENERGY TRADING LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 €'000	2014 €'000
Cash flows from operating activities			
Result for the year		-	-
Working capital changes:			
Change in trade and other receivables		9,715	-
Change in trade and other payables		<u>-</u>	<u>-</u>
Net cash generated from operating activities		<u>-</u>	<u>-</u>
Cash flows from financing activities			
Dividends		<u>(9,715)</u>	<u>-</u>
Net cash used financing activities		<u>(9,715)</u>	<u>-</u>
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at 1 January		<u>-</u>	<u>-</u>
Cash and cash equivalents at 31 December		<u>-</u>	<u>-</u>

ERVIA ENERGY TRADING LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital €'000	Retained earnings €'000	Total €'000
Balance at 31 December 2014	—	<u>9,715</u>	<u>9,715</u>
Dividends	—	<u>(9,715)</u>	<u>(9,715)</u>
Balance at 31 December 2015	—	—	—

ERVIA ENERGY TRADING LIMITED

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

1. STATEMENT OF ACCOUNTING POLICIES

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

1.1. Basis of preparation

Ervia Energy Trading Limited ('the Company') is a wholly owned subsidiary of Ervia. In common with other subsidiaries, the financial statements of the Company reflect the effect of such group membership.

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') 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 2015.

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.

There are no critical accounting judgements made in the preparation of the Company's financial statements.

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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ERVIA ENERGY TRADING LIMITED

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

1. STATEMENT OF ACCOUNTING POLICIES - continued

1.2 New accounting standards and interpretations

In the current financial year, the company has applied a number of new and revised IFRS, as set out below, that are mandatorily effective under IFRS, as endorsed by the EU, for accounting periods beginning on or after 1 January 2015. The application of these amendments to standards did not have a material impact on the Ervia Energy Trading Limited financial statements for 2015.

Standard/Amendment	Effective Date (as endorsed by the EU)	Endorsed by the EU
Annual Improvements to IFRS 2010-2012	1 July 2014	December 2014
Annual Improvements to IFRS 2011-2013	1 July 2014	December 2014
Amendment to IAS 19 Defined Benefit Plans: Employee Contributions	1 July 2014	December 2014

A number of new standards, amendments to standards and interpretations are not yet effective for the financial year ended 31 December 2015 and have not been applied in preparing these financial statements. The application of these new standards, amendments and interpretations is either not expected to have a material impact on the financial statements or is still under assessment.

IFRS 16 Leases was issued on 13 January 2016 with an IASB effective date of 1 January 2019 (not yet endorsed by the EU). This new standard will replace IAS 17 Leases (and associated interpretative guidance), and offers a new comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

The most significant change will be to lessee accounting, where the distinction between operating and finance leases is removed, and will effectively bring onto the balance sheet the accounting for assets and liabilities associated with operating leases. There will be no significant changes in respect of lessor accounting.

Standard/Amendment	IASB Effective Date	Endorsed by the EU
Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016 ¹	November 2015
Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016 ¹	December 2015

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ERVIA ENERGY TRADING LIMITED

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

1. STATEMENT OF ACCOUNTING POLICIES - continued

1.2 New accounting standards and interpretations - continued

Standard/Amendment	IASB Effective Date	Endorsed by the EU
Amendments to IAS 16 and IAS 41: Bearer Plants	1 January 2016 ¹	November 2015
Amendments to IAS 27: Equity Method in Separate Financial Statements	1 January 2016 ¹	December 2015
Annual Improvements to IFRSs 2012–2014 Cycle	1 January 2016 ¹	(Outstanding)
Amendments to IAS 1: Disclosure Initiative	1 January 2016 ¹	(Outstanding)
Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception	1 January 2016 ¹	(Outstanding)
IFRS 15 Revenue from Contracts with Customers	1 January 2017 ¹	(Outstanding)
IFRS 14 Regulatory Deferral Accounts	1 January 2016 ¹	(Outstanding)
IFRS 9 (2010 and 2009) Financial Instruments	1 January 2018 ¹	(Outstanding)

¹ represents the IASB effective date. Effective date under IFRS, as endorsed by the EU, may change depending on EU endorsement status.

1.3 Financial assets

Non-derivative financial assets

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 an inability to pay.

Dividends

Dividends are accounted for when they are approved. Dividends proposed do not meet the definition of a liability until such time as they have been approved.

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ERVIA ENERGY TRADING LIMITED

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

2. STATUTORY INFORMATION

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

3. RISK MANAGEMENT

The financial risk management of the Company is fully integrated with the risk management function of the Group. As a result the policies and procedures used to manage the risk have been incorporated within those of the Group. The Directors consider that the Company's credit risk is minimal, as its exposure is limited to its holding company. The Directors consider that the Company's business is not exposed to any foreign exchange risk, market risk or liquidity risk. The Company's income and operating cash flows are substantially independent of changes in market interest rates.

4. TRADE AND OTHER RECEIVABLES	2015 €'000	2014 €'000
Current:		
Amounts due from parent company	<u>—</u>	<u>9,715</u>
5. CALLED UP SHARE CAPITAL PRESENTED AS EQUITY	2015 €'000	2014 €'000
Authorised:		
1,000,000 ordinary shares of €1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
2 ordinary shares of €1 each	<u>—</u>	<u>—</u>

6. PARENT COMPANY

The ultimate parent undertaking and controlling party for which group financial statements are drawn up is Ervia. Copies of the group financial statements may be obtained from The Secretary, Ervia, Webworks, Eglinton Street, Cork.

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ERVIA ENERGY TRADING LIMITED

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

7. RELATED PARTY TRANSACTIONS

The Company was owed €9,715,122 from its parent company, Ervia, due to legacy intercompany transactions.

In 2015 the Company declared a dividend to its parent, which settled the liability between the two parties.

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

	2015 €'000	2014 €'000
Ervia (parent company)	-	9,715
	<u> </u>	<u> </u>

8. SUBSEQUENT EVENTS

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

9. APPROVAL OF FINANCIAL STATEMENTS

The directors approved the financial statements on 16/10/2016