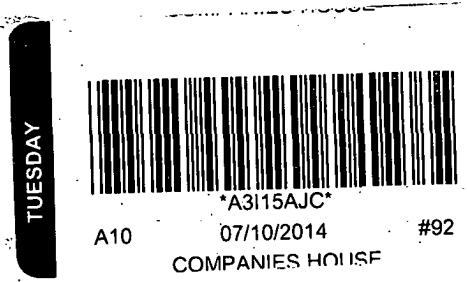


**CORONA ENERGY RETAIL 4 LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**



**CORONA ENERGY RETAIL 4 LIMITED**

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**CORONA ENERGY RETAIL 4 LIMITED**

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

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The directors present the Strategic Report of Corona Energy Retail 4 Limited for the year ended 31 March 2014. Registered number 02798334.

**Business review and future developments**

The company's principal activity is to purchase, market and sell natural gas to commercial and other end users and it is not anticipated that this will change in the near future.

The company remains well positioned to benefit from its major presence in the Industrial and Commercial market and is looking to develop its customer base and product offering, while maintaining its reputation as a leading gas supplier to the multi-site and small- and medium-sized enterprise sector of the market.

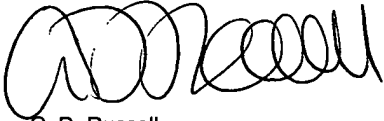
**Principal risks and uncertainties**

The key performance indicator used by management is operating profit, which is the measure of performance which is regularly shared with representatives of the ultimate parent company. Operating profit for the year ended 31 March 2014 was £9.3 million (2013: £7.3 million).

The Directors have not included the disclosure of other key performance Indicators in the Directors report as the Company is managed as Corona Energy Group as a whole therefore no Key Performance Indicators exist for the company on a stand alone basis.

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition from other suppliers, future gas prices and consumption which is affected by temperature and other demand factors.

On behalf of the Board



G. D. Russell  
**Director**

29 September 2014

## **CORONA ENERGY RETAIL 4 LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014**

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The directors present their report and the audited financial statements of Corona Energy Retail 4 Limited for the year ended 31 March 2014. Registered number 02798334.

#### **Review of the business**

The financial statements show the results for the year ended 31 March 2014 and comparatives for the year ended 31 March 2013.

The company's profit for the financial year was £6.2 million (2013: £4.6 million). This was a good result in a year with demand above expectations in the first half of the year due to colder than average seasonal temperatures followed by a warmer winter. The directors have proposed and paid a dividend of £5.05 million (2013: £5.15 million).

#### **Financial risk management**

Credit exposures, approvals and limits are controlled within Macquarie Group Limited group's credit risk framework, as established by the Risk Management Division. Trade debtors are factored through Macquarie Factoring Limited (a fellow subsidiary of the Macquarie group). Hence, the risk associated with recoverability of the debt has been transferred.

#### *Market price and volume risk*

The company remains exposed to market price and volume risk as a result of its operations. The directors have adopted the risk model used by the Macquarie Group Limited group, as approved by the Risk Management Division. This model is incorporated into the Macquarie Group Limited group's risk management systems to enable the company to manage the risk effectively. The company does this principally by contracting for gas at fixed prices to meet expected demand and then by contracting out the balancing risk between actual and expected demand that remains to a fellow subsidiary, Corona Gas Management Limited.

#### *Credit risk*

Credit exposures, approvals and limits are controlled within Macquarie Group Limited group's credit risk framework, as established by the Risk Management Division. In addition, to manage this risk the trade debtors of the company have been sold to another Macquarie Group Limited group company.

#### *Liquidity risk*

The company maintains short-term debt finance that is designed to ensure the company has sufficient available funds for operations.

#### **Directors**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

M. R. Gray  
P. Plewman  
G.D. Russell  
C.J. Coles (resigned 18 April 2013)

**CORONA ENERGY RETAIL 4 LIMITED**

**DIRECTORS' REPORT (continued)  
FOR THE YEAR ENDED 31 MARCH 2014**

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**Directors' indemnities and insurance**

The ultimate parent company has purchased insurance to cover the directors against liabilities in relation to the company for the financial period. This also includes a qualifying third party indemnity provision at the date of approval for the financial statements.

**Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and in the absence of a notice proposing that the appointment be terminated, the auditors will be deemed to be re-appointed for the next financial year.

**Statement of directors' responsibilities**

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

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

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

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

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Disclosure of information to auditors**

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

On behalf of the Board



G. D. Russell

Director

29 September 2014

## CORONA ENERGY RETAIL 4 LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORONA ENERGY RETAIL 4 LIMITED

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#### Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

#### What we have audited

The financial statements, which are prepared by Corona Energy Retail 4 Limited, comprise:

- Balance Sheet as at 31 March 2014;
- Profit and Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 Annual Report and Financial Statements 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 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.

#### Other matters on which we are required to report by exception

##### Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

#### Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

**CORONA ENERGY RETAIL 4 LIMITED**

**INDEPENDENT AUDITORS' REPORT (continued)  
TO THE MEMBERS OF CORONA ENERGY RETAIL 4 LIMITED**

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**Responsibilities for the financial statements and the audit**

**Our responsibilities and those of the directors**

As explained more fully in the statement of directors' responsibilities set out on page 3, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



John Dashwood (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Uxbridge

29 September 2014

**CORONA ENERGY RETAIL 4 LIMITED**

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

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		Year ended 31 March 2014	Year ended 31 March 2013
	Notes	£	£
Turnover	2	496,993,984	516,578,748
Cost of sales		(482,955,638)	(504,217,549)
<b>Gross profit</b>		<b>14,038,346</b>	<b>12,361,199</b>
Administrative expenses		(4,783,913)	(5,027,732)
<b>Operating profit</b>	<b>3</b>	<b>9,254,433</b>	<b>7,333,467</b>
Interest receivable and similar income	4	1,211,065	1,087,222
Interest payable and similar charges	5	(2,342,026)	(2,537,034)
<b>Profit on ordinary activities before taxation</b>		<b>8,123,472</b>	<b>5,883,655</b>
Tax on profit on ordinary activities	6	(1,884,503)	(1,261,511)
<b>Profit for the financial year</b>	<b>11</b>	<b>6,238,969</b>	<b>4,622,144</b>

---

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The company has no recognised gains and losses other than those included in the financial results above and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

The notes on pages 7 to 13 form part of these financial statements.



## CORONA ENERGY RETAIL 4 LIMITED

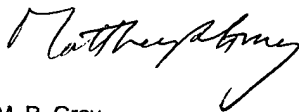
BALANCE SHEET  
AS AT 31 March 2014

Registered number 02798334

	Notes	31 March 2014 £	£	31 March 2013 £	£
<b>Current assets</b>					
Debtors	7	71,489,087		88,691,171	
Cash at bank and in hand		3,821,324		19,137,242	
		75,310,411		107,828,413	
<b>Creditors: amounts falling due within one year</b>	<b>9</b>	<b>(67,666,672)</b>		<b>(101,373,645)</b>	
<b>Net current assets</b>			<b>7,643,739</b>		<b>6,454,768</b>
<b>Total assets less current liabilities</b>			<b>7,643,739</b>		<b>6,454,768</b>
<b>Net assets</b>			<b>7,643,739</b>		<b>6,454,768</b>
<b>Capital and reserves</b>					
Called up share capital	10	6,024,996		6,024,999	
Share premium account	11	62,487		62,487	
Profit and loss account	11	1,556,256		367,287	
<b>Total shareholders' funds</b>	<b>13</b>		<b>7,643,739</b>		<b>6,454,768</b>

The notes on pages 7 to 13 form part of these financial statements.

The financial statements were approved by the Board on 29 September 2014.



M. R. Gray  
Director

## **CORONA ENERGY RETAIL 4 LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

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#### **1 Accounting policies**

##### **1.1 Accounting Convention**

These financial statements have been prepared under the historical cost convention in accordance with the applicable accounting standards in the United Kingdom and the Companies Act 2006. The following policies have been applied consistently to the company's financial statements.

##### **1.2 Going Concern**

After reviewing the company's performance and taking into account the likelihood of available bank facilities from fellow group companies, the directors are satisfied that the company has adequate resources to continue for the foreseeable future. For this reason the directors have adopted the going concern basis in preparing the financial statements.

##### **1.3 Exemptions**

At 31 March 2014 the company was a wholly-owned subsidiary of Corona Energy Limited, a wholly-owned subsidiary of Macquarie Group Limited, and as a result the company has taken advantage of the exemptions within Financial Reporting Standard 1 'Cash flow statement' from presenting a cash flow statement, and within Financial Reporting Standard 8 'Related party disclosures' from disclosure of transactions with other companies that are part of the Macquarie Group Limited group. The financial statements of Macquarie Group Limited are publicly available.

##### **1.4 Turnover**

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, value added tax and other sales related taxes. Turnover is recognised on the basis of energy supplied during the period.

Turnover for energy supply activities includes an assessment of energy supplies to customers between the date of the last meter read and year end (unread). Unread gas is estimated using weather adjusted historical consumption patterns and is included in accrued income within debtors. All turnover arises in the United Kingdom.

##### **1.5 Taxation**

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

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

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

##### **1.6 Creditors**

Customers in credit balance positions are recognised within other creditors.

##### **1.7 Revenue recognition**

Revenue for gas supply activities includes an assessment of the value of gas supplied to customers including an estimated value of the volume between the date of the last invoice and the end of the period. Revenue is estimated using historical consumption patterns on a meter by meter basis, taking into account weather patterns, forecasts and the difference between actual meter reads returned and system estimates. Revenues are presented net of sales taxes, returns, rebates and discounts.

The judgements applied, and the underlying assumptions are considered to be appropriate at the balance sheet date.

**CORONA ENERGY RETAIL 4 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2014**

**2 Turnover**

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

**3 Operating profit** **2014** **2013**  
£ £

Operating profit is stated after charging :

Auditors remuneration	22,000	20,200
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Operating costs include management fee recharge from Corona Energy Retail 1 Limited of £4,390,000 (2013: £4,890,000) which the directors believe is on an arm's length basis.

Auditors' remuneration of £22,000 (2013: £20,200) relates to fees for the audit of the UK GAAP statutory financial statements of Corona Energy Retail 4 Limited and includes fees in relation to the audit of the IFRS group consolidation schedules, for the purpose of the Macquarie Group audit, which also contribute to the audit of Corona Energy Limited & Macquarie Corona Energy Holdings Limited.

**4 Interest receivable and similar income** **2014** **2013**  
£ £

Interest receivable on bank deposits	4,955	10,434
Interest receivable from group undertakings	1,205,238	1,076,328
Other interest receivable	872	460
	1,211,065	1,087,222

**5 Interest payable and similar charges** **2014** **2013**  
£ £

Interest payable on factoring of debtors	2,338,496	2,530,606
Interest payable to group undertakings	3,530	6,429
	2,342,026	2,537,036

**CORONA ENERGY RETAIL 4 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2014**

6	Tax on profit on ordinary activities	2014 £	2013 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	1,841,297	1,412,077
	<b>Current tax charge</b>	<u>1,841,297</u>	<u>1,412,077</u>
	The tax assessed for the year is the lower than (2013: same as) the standard rate of corporation tax in the UK (23%).		
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	23,567	(150,566)
	Change in tax rate	19,639	-
	<b>Total deferred tax</b>	<u>43,206</u>	<u>(150,566)</u>
	<b>Tax on profit/loss on ordinary activities</b>	<u>1,884,503</u>	<u>1,261,511</u>

6	Tax on profit on ordinary activities (continued)	2014 £	2013 £
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	8,123,472	5,883,655
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23% (2013 : 24%)	<u>1,868,399</u>	<u>1,412,077</u>
	Effects of :		
	Capital allowances claimed	(27,102)	-
		<u>(27,102)</u>	<u>-</u>
	<b>Current tax charge</b>	<u>1,841,297</u>	<u>1,412,077</u>

**Factors that may affect future tax charges:**

The UK Government reduced the main rate of corporation tax from 24% to 23% from 1 April 2013, from 23% to 21% from 1 April 2014 and from 21% to 20% from 1 April 2015.

**CORONA ENERGY RETAIL 4 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2014**

7	Debtors	2014 £	2013 £
	Amounts owed by group undertakings	65,998,016	74,772,065
	Other debtors	390,968	-
	Deferred tax asset	107,360	150,566
	Prepayments and accrued income	4,992,743	13,768,540
		<u>71,489,087</u>	<u>88,691,171</u>

Included in Prepayments and accrued income is £456,611 (2013: £218,706) held by Xoserve Limited as Energy Balancing security. These cash deposits attract interest at Barclays Business Premium Rate.

Amounts owed by group undertakings bear interest at the market rate of interest. All amounts owed by group undertakings are unsecured and repayable on demand.

8	Deferred Taxation	Deferred tax asset £
	Balance at 1 April 2013	150,566
	Deferred tax charge for the year (note 6)	(43,206)
	Balance at 31 March 2014	<u>107,360</u>

The company has a deferred tax asset of £107,360 (2013: £150,566) relating to fixed asset timing differences.

The UK Government has enacted a reduction in the main rate of corporation tax from 23% to 21% from 1 April 2014 and then from 21% to 20% from 1 April 2015. The closing deferred tax balance is recognized at 20%.

	2014 £	2013 £
<b>The deferred tax asset is made up as follows</b>		
Accelerated capital allowances	107,360	150,566
	<u>107,360</u>	<u>150,566</u>

**CORONA ENERGY RETAIL 4 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2014**

9	Creditors: amounts falling due within one year	2014 £	2013 £
	Trade creditors	187,428	518,686
	Amounts owed to group undertakings	7,153,905	16,014,283
	Corporation tax	1,841,297	1,412,077
	Other taxation and social security	35,062,568	39,906,057
	Other creditors	7,713,142	6,604,980
	Accruals	15,633,332	36,842,562
	Redeemable preference shares	75,000	75,000
		<u>67,666,672</u>	<u>101,373,645</u>

The redeemable preference shares are held by Corona Energy Limited, and are redeemable immediately at the option of the holder.

Amounts owed to group undertakings bear interest at the market rate of interest. All amounts owed to group undertakings are unsecured and repayable on demand.

10	Called up share capital	2014 £	2013 £
	<b>Authorised</b>		
	7,000,000 (2013: 7,000,000) Ordinary shares of £1 each	7,000,000	7,000,000
		<u>7,000,000</u>	<u>7,000,000</u>
	<b>Allotted and fully paid</b>		
	6,024,996 (2013: 6,024,999) Ordinary shares of £1 each	6,024,996	6,024,999
		<u>6,024,996</u>	<u>6,024,999</u>

11	Reserves	Share premium account £	Profit and loss account £
	Balance at 1 April 2013	62,487	367,287
	Profit for the financial year	-	6,238,969
	Dividends	-	(5,050,000)
	Balance at 31 March 2014	<u>62,487</u>	<u>1,556,256</u>

**CORONA ENERGY RETAIL 4 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2014**

12	Dividends	2014 £	2013 £
	<b>Dividends which the company proposed, approved and paid during the financial year</b>		
	<b>Ordinary shares</b>		
	83.82 pence (2013: 85.48) per £1 share	5,050,000	5,150,000
		5,050,000	5,150,000
		5,050,000	5,150,000
13	Reconciliation of movements in shareholders' funds	2014 £	2013 £
	Profit for the financial year	6,238,969	4,622,144
	Dividends	(5,050,000)	(5,150,000)
	Opening shareholders' funds	6,454,770	6,982,626
		7,643,739	6,454,770
	Closing shareholders' funds	7,643,739	6,454,770
14	Directors' emoluments	2014 £	2013 £
	Emoluments for qualifying services	104,902	111,692
		104,902	111,692
		104,902	111,692

**15 Employees**

**Number of employees**

There were no employees during the financial year apart from the directors. (2013: Nil)

**16 Ultimate parent undertaking and controlling party**

At 31 March 2014, the immediate parent undertaking was Corona Energy Limited, and the ultimate parent undertaking and controlling party of Corona Energy Retail 4 Limited, which was the parent undertaking of the smallest and the largest group to prepare consolidated financial statements, was Macquarie Group Limited, a company incorporated in Australia. Copies of group financial statements for Macquarie Group Limited are publicly available and can be obtained from the company secretary, Level 7, No. 1 Martin Place, Sydney, New South Wales, 2000, Australia.