

## **QE ENERGY EUROPE LIMITED**

### **REPORT AND FINANCIAL STATEMENTS** 31 December 2015

# **QE ENERGY EUROPE LIMITED**

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## **REPORT AND FINANCIAL STATEMENTS**

31 December 2015

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# QE ENERGY EUROPE LIMITED

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## BOARD OF DIRECTORS AND OTHER OFFICERS

**Board of Directors:**

Myrto Achnioti  
Despina Georgiou  
Konstantinos Iliadis  
Georgios Kouvaris  
Alexis Hadjinicolaou

**Company Secretary:**

Alexis Hadjinicolaou

**Independent Auditors:**

EPW Europe Private Wealth & Multi Family Office Ltd  
Certified Public Accountants and Registered Auditors

**Registered office:**

Annis Komninis, 37, Eleneion Building, Office 7  
Nicosia  
1061  
Cyprus

**Banker:**

Bank of Cyprus Public Company Ltd  
Emporiki Bank (Cyprus) Ltd

**Registration number:**

ÇÅ277038

# QE ENERGY EUROPE LIMITED

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## REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2015.

### **Incorporation**

The Company QE Energy Europe Limited was incorporated in Cyprus on 17th November 2010 as a private limited liability company under the Cyprus Companies Law, Cap. 113.

### **Principal activities**

The principal activities of the Company, which are unchanged from last year, are the buying and selling of liquified natural gas.

### **Review of current position, future developments and significant risks**

The Company's development to date, financial results and position as presented in the financial statements are not considered satisfactory and the Board of Directors is making an effort to reduce the Company losses.

Additional details that relate to the operating environment of the Company as well as other risks and uncertainties are described in notes 3 and 16 of the financial statements.

### **Results**

The Company's results for the year are set out on page 6.

### **Dividends**

The Board of Directors does not recommend the payment of a dividend.

### **Share capital**

There were no changes in the share capital of the Company during the year under review.

### **Board of Directors**

The members of the Company's Board of Directors as at 31 December 2015 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2015.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

### **Recent volatility in global financial markets**

Any significant events that relate to the operating environment of the Company are described in note 16 to the financial statements.

### **Events after the reporting period**

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

# QE ENERGY EUROPE LIMITED


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## REPORT OF THE BOARD OF DIRECTORS

### **Independent Auditors**

The Independent Auditors, EPW Europe Private Wealth & Multi Family Office Ltd, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

  
Alexis Hadjinicolaou  
Secretary

Nicosia, 16 March 2016

## **Independent auditor's report**

### **To the Members of QE Energy Europe Limited**

#### **Report on the financial statements**

We have audited the financial statements of QE Energy Europe Limited (the "Company") on pages 6 to 18 which comprise the statement of financial position as at 31 December 2015, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Board of Directors' responsibility for the financial statements**

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of QE Energy Europe Limited as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

## **Independent auditor's report (continued)**

### **To the Members of QE Energy Europe Limited**

#### *Emphasis of matter*

We draw attention to note 2 to the financial statements which indicates that the Company incurred a loss of €22.064 during the year ended 31 December 2015, and, as at that date its liabilities exceeded its assets by €734.428. These conditions, along with other matters as set forth in note 2 indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The parent company has indicated its intention to provide financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due.

Our opinion is not qualified in respect of this matter.

#### **Report on other legal requirements**

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of these books.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the financial statements.

#### **Other matter**

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



George Theocharous  
Certified Public Accountant and Registered Auditor  
for and on behalf of  
**EPW Europe Private Wealth & Multi Family Office Ltd**  
**Certified Public Accountants and Registered Auditors**

Nicosia, 16 March 2016

## QE ENERGY EUROPE LIMITED

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### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2015

	Note	2015 €	2014 €
Other income	5	2.183	-
Administration expenses		<u>(19.873)</u>	<u>(124.267)</u>
<b>Operating loss</b>	6	<b>(17.690)</b>	(124.267)
Finance costs	8	(415)	(247)
Net loss from foreign exchange transactions	9	<u>(3.959)</u>	<u>(4.037)</u>
<b>Loss before tax</b>		<b>(22.064)</b>	(128.551)
Tax	10	<u>-</u>	<u>-</u>
<b>Net loss for the year</b>		<b>(22.064)</b>	(128.551)
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<b><u>(22.064)</u></b>	<b><u>(128.551)</u></b>

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The notes on pages 10 to 18 form an integral part of these financial statements.



# QE ENERGY EUROPE LIMITED

## STATEMENT OF FINANCIAL POSITION 31 December 2015

	Note	2015 €	2014 €
<b>ASSETS</b>			
<b>Current assets</b>			
Receivables	13	4.763	3.978
Cash at bank and in hand		<u>2.000</u>	<u>2.126</u>
<b>Total current assets</b>		<u>6.763</u>	<u>6.104</u>
<b>Total assets</b>		<u><u>6.763</u></u>	<u><u>6.104</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14	1.000	1.000
Accumulated losses		<u>(735.428)</u>	<u>(713.364)</u>
<b>Total equity</b>		<u>(734.428)</u>	<u>(712.364)</u>
<b>Non-current liabilities</b>			
Trade and other payables	15	<u>706.183</u>	<u>585.916</u>
<b>Total non-current liabilities</b>		<u>706.183</u>	<u>585.916</u>
<b>Current liabilities</b>			
Trade and other payables	15	<u>35.008</u>	<u>132.552</u>
<b>Total current liabilities</b>		<u>35.008</u>	<u>132.552</u>
<b>Total liabilities</b>		<u>741.191</u>	<u>718.468</u>
<b>Total equity and liabilities</b>		<u><u>6.763</u></u>	<u><u>6.104</u></u>

On 16 March 2016 the Board of Directors of QE Energy Europe Limited authorised these financial statements for issue.

  
Director

  
Director

The notes on pages 10 to 18 form an integral part of these financial statements.

# QE ENERGY EUROPE LIMITED

## STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2015

	Share capital €	Accumula- ted losses €	Total €
<b>Balance at 1 January 2014</b>	<b>1.000</b>	<b>(584.813)</b>	<b>(583.813)</b>
<b>Comprehensive income</b>			
Net loss for the year	-	(128.551)	(128.551)
<b>Balance at 31 December 2014/ 1 January 2015</b>	<b>1.000</b>	<b>(713.364)</b>	<b>(712.364)</b>
<b>Comprehensive income</b>			
Net loss for the year	-	(22.064)	(22.064)
<b>Balance at 31 December 2015</b>	<b>1.000</b>	<b>(735.428)</b>	<b>(734.428)</b>

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

The notes on pages 10 to 18 form an integral part of these financial statements.

# QE ENERGY EUROPE LIMITED

## STATEMENT OF CASH FLOWS

Year ended 31 December 2015

	2015 €	2014 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Loss before tax</b>	<b>(22.064)</b>	(128.551)
<b>Cash flows used in operations before working capital changes</b>	<b>(22.064)</b>	(128.551)
Increase in receivables	(785)	(460)
Increase in trade and other payables	<b>22.723</b>	129.220
<b>Cash flows (used in)/from operations</b>	<b>(126)</b>	209
<b>Net (decrease) /increase in cash and cash equivalents</b>	<b>(126)</b>	209
Cash and cash equivalents:		
At beginning of the year	<b>2.126</b>	1.917
<b>At end of the year</b>	<b>2.000</b>	2.126

The notes on pages 10 to 18 form an integral part of these financial statements.

# QE ENERGY EUROPE LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 1. Incorporation and principal activities

#### Country of incorporation

The Company QE Energy Europe Limited (the "Company") was incorporated in Cyprus on 17th November 2010 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at Annis Komninis, 37, Eleftherion Building, Office 7, Nicosia, 1061, Cyprus.

#### Principal activities

The principal activities of the Company, which are unchanged from last year, are the buying and selling of liquified natural gas.

### 2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

#### Going concern basis

The Company incurred a loss of €22.064 for the year ended 31 December 2015, and, as at that date its liabilities exceeded its assets by €734.428. The Company is dependent upon the continuing financial support of its parent company without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realise its assets and discharge its liabilities in the ordinary course of business. The parent company has indicated its intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due.

#### Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

#### Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2015. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

# QE ENERGY EUROPE LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 2. Accounting policies (continued)

#### Revenue recognition

Revenues of the Company are recognized on an accrual basis.

#### Finance income

Finance income includes interest income which is recognised based on an accrual basis.

#### Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

#### Foreign currency translation

(1) **Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

#### Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

#### Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand.

#### Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

# QE ENERGY EUROPE LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 2. Accounting policies (continued)

#### Derecognition of financial assets and liabilities

##### Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

##### Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

#### Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

#### Share capital

Ordinary shares are classified as equity.

### 3. Financial risk management

#### Financial risk factors

The Company is exposed to credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

##### 3.1 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

# QE ENERGY EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 3. Financial risk management (continued)

#### 3.2 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

<b>31 December 2015</b>	Carrying amounts €	Contractual cash flows €	On demand €	Less than 1 year €	Between 1-5 years €	More than 5 years €
Trade and other payables	1.174	1.174	-	1.174	-	-
Payables to related parties	734.818	734.818	734.818	-	-	-
	<b>735.992</b>	<b>735.992</b>	<b>734.818</b>	<b>1.174</b>	<b>-</b>	<b>-</b>
<b>31 December 2014</b>	Carrying amounts €	Contractual cash flows €	On demand €	Less than 1 year €	Between 1-5 years €	More than 5 years €
Trade and other payables	4.116	4.116	-	4.116	-	-
Payables to related parties	706.183	706.183	706.183	-	-	-
	<b>710.299</b>	<b>710.299</b>	<b>706.183</b>	<b>4.116</b>	<b>-</b>	<b>-</b>

#### 3.3 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Euro. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	<b>Liabilities</b>		<b>Assets</b>	
	<b>2015</b> €	2014 €	<b>2015</b> €	2014 €
United States Dollars	-	-	<b>2.000</b>	2.126
	<b>-</b>	<b>-</b>	<b>2.000</b>	2.126

#### 3.4 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

### 4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

# QE ENERGY EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 4. Critical accounting estimates and judgments (continued)

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Going concern**

The Company incurred a loss of €22.064 for the year ended 31 December 2015, and, as at that date its liabilities exceeded its assets by €734.428. The Company is dependent upon the continuing financial support of its parent company without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realise its assets and discharge its liabilities in the ordinary course of business. The parent company has indicated its intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due.

### 5. Other income

	2015	2014
	€	€
Sundry operating income	<b>2.183</b>	-
	<b>2.183</b>	-

### 6. Operating (loss)

	2015	2014
	€	€
Operating loss is stated after charging the following items:		
Staff costs (Note 7)	<b>15.000</b>	90.000
Auditors' remuneration	<b>1.000</b>	1.000

### 7. Staff costs

	2015	2014
	€	€
Wages and salaries	<b>15.000</b>	90.000
	<b>15.000</b>	90.000

Wages and Salaries were paid to foreign employees.



# QE ENERGY EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 8. Finance costs

	2015 €	2014 €
Sundry finance expenses	<u>415</u>	<u>247</u>
	<b>415</b>	<b>247</b>

### 9. Net loss from foreign exchange transactions

	2015 €	2014 €
Unrealised exchange loss	<u>(3.959)</u>	<u>(4.037)</u>
	<b>(3.959)</b>	<b>(4.037)</b>

The unrealised exchange loss arises from monetary assets and liabilities denominated in foreign currencies, translated to Euro using the rate of exchange ruling at the reporting date.

### 10. Tax

The tax on the Company's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2015 €	2014 €
Loss before tax	<u>(22.064)</u>	<u>(128.551)</u>
Tax calculated at the applicable tax rates	(2.758)	(16.069)
Tax effect of expenses not deductible for tax purposes	(1)	-
Tax effect of allowances and income not subject to tax	2.759	14.912
Tax effect of group tax relief	<u>-</u>	<u>1.157</u>
<b>Tax charge</b>	<b>-</b>	<b>-</b>

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter.

### 11. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

#### 31 December 2015

	Loans and receivables €
<b>Assets as per statement of financial position:</b>	
Receivables	1.000
Cash and cash equivalents	<u>2.000</u>
<b>Total</b>	<b><u>3.000</u></b>

# QE ENERGY EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 11. Financial instruments by category (continued)

	Borrowings and other financial liabilities €
<b>Liabilities as per statement of financial position:</b>	
Trade and other payables	735.992
<b>Total</b>	<b>735.992</b>

31 December 2014

	Loans and receivables €
<b>Assets as per statement of financial position:</b>	
Receivables	1.000
Cash and cash equivalents	2.126
<b>Total</b>	<b>3.126</b>

	Borrowings and other financial liabilities €
<b>Liabilities as per statement of financial position:</b>	
Trade and other payables	710.299
<b>Total</b>	<b>710.299</b>

### 12. Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if applicable) or to historical information about counterparty default rates:

	2015 €	2014 €
Fully performing other receivables		
Group 5	1.000	1.000
Group 2	3.763	2.978
	<b>4.763</b>	3.978
<b>Cash at bank and short term bank deposits</b>		
Caa2	2.000	2.126
	<b>2.000</b>	2.126

Group 1 - new customers (less than 6 months).

Group 2 - existing customers (more than 6 months) with no defaults in the past.

Group 3 - existing customers (more than 6 months) with some defaults in the past. All defaults were fully recovered.

Group 4 - companies within the group, common control companies and associates with no defaults in the past.

Group 5 - Directors, shareholders and key management personnel.

Group 6 - new receivables (less than 6 months).

None of the financial assets that are fully performing has been renegotiated.

# QE ENERGY EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 13. Receivables

	2015 €	2014 €
Receivables from related companies (Note 17)	1.000	1.000
Refundable VAT	3.763	2.978
	<b>4.763</b>	<b>3.978</b>

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the financial statements.

### 14. Share capital

	2015 Number of shares	2015 €	2014 Number of shares	2014 €
<b>Authorised</b>				
Ordinary shares of €1 each	1.000	1.000	1.000	1.000
<b>Issued and fully paid</b>				
Balance at 1 January	1.000	1.000	1.000	1.000
<b>Balance at 31 December</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>

### 15. Trade and other payables

	2015 €	2014 €
Trade payables	1.174	4.116
Accruals	5.199	8.169
Payables to related companies (Note 17)	734.818	706.183
	<b>741.191</b>	<b>718.468</b>
Less non-current payables	(706.183)	(585.916)
<b>Current portion</b>	<b>35.008</b>	<b>132.552</b>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

### 16. Recent volatility in global financial markets

The ongoing global liquidity crisis which commenced in the middle of 2007 and is still continuing, resulted in, among other things, a lower level of capital market funding, lower liquidity levels across the banking sector, and higher interbank lending rates. The uncertainties in the global financial markets have also led to bank failures and bank rescues in the United States of America, Western Europe, Russia and elsewhere. Such circumstances could affect the ability of the Company to obtain borrowings or re-finance its existing operations at terms and conditions similar to those applied to earlier transactions. Indeed the full extent of the impact of the ongoing financial crisis is proving to be impossible to anticipate or completely guard against.

The economic conditions disclosed above together with the impact of the results of the Eurogroup decision of 25 March 2013 for Cyprus may have an adverse impact on the Company's debtors (inability to meet their obligations towards the Company).

# QE ENERGY EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 16. Recent volatility in global financial markets (continued)

To the extent that information is available, Management has reflected revised estimates of expected future cash flows in its impairment assessments. Management is unable to reliably estimate the effects on the Company's financial position of any further deterioration in the liquidity of the financial markets and the increased volatility in the currency and equity markets. Management believes it is taking all the necessary measures to support the sustainability and growth of the Company's business in the current circumstances.

### 17. Related party transactions

The Company is controlled by Terna Overseas Ltd and CAYE Global Investments Ltd, incorporated in Cyprus, which owns 90% and 10% of the Company's shares respectively. The Company's ultimate controlling party is Gek Terna S.A which is listed in the Athens Stock Exchange.

The following transactions were carried out with related parties:

#### 17.1 Receivables from related parties (Note 13)

<u>Name</u>	<u>Nature of transactions</u>	2015 €	2014 €
Terna Overseas Ltd	Finance	900	900
CAYE Global Investments Ltd	Finance	100	100
		<b>1.000</b>	<b>1.000</b>

#### 17.2 Payables to related parties (Note 15)

<u>Name</u>	<u>Nature of transactions</u>	2015 €	2014 €
Terna Qatar LLC	Trade	41.779	37.530
Terna Overseas Ltd	Finance	693.039	668.653
		<b>734.818</b>	<b>706.183</b>

### 18. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2015.

### 19. Commitments

The Company had no capital or other commitments as at 31 December 2015.

### 20. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 4 and 5

# QE ENERGY EUROPE LIMITED

## DETAILED INCOME STATEMENT

Year ended 31 December 2015

	2015 €	2014 €
<b>Other operating income</b>		
Sundry operating income	<u>2.183</u>	<u>-</u>
	<b>2.183</b>	<b>-</b>
<b>Operating expenses</b>		
Administration expenses	<u>(19.873)</u>	<u>(124.267)</u>
<b>Operating loss</b>	<b>(17.690)</b>	<b>(124.267)</b>
Finance costs	<b>(415)</b>	<b>(247)</b>
Net loss from foreign exchange transactions	<u>(3.959)</u>	<u>(4.037)</u>
<b>Net loss for the year before tax</b>	<b>(22.064)</b>	<b>(128.551)</b>

## QE ENERGY EUROPE LIMITED

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### OPERATING EXPENSES

Year ended 31 December 2015

	2015 €	2014 €
<b>Administration expenses</b>		
Staff salaries	<b>15.000</b>	90.000
Annual levy	<b>350</b>	350
Sundry expenses	<b>65</b>	1.540
Telephone and postage	-	110
Stationery and printing	<b>37</b>	241
Certification and legalisation expenses	<b>290</b>	690
Auditors' remuneration	<b>1.000</b>	1.000
Accounting fees	<b>502</b>	500
Legal and professional	<b>2.629</b>	890
Overseas travelling	-	28.946
	<b>19.873</b>	124.267

# QE ENERGY EUROPE LIMITED

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## FINANCE COSTS

Year ended 31 December 2015

	2015 €	2014 €
<b>Finance costs</b>		
<b>Sundry finance expenses</b>		
Bank charges	<u>415</u>	<u>247</u>
	<b><u>415</u></b>	<b><u>247</u></b>
 <b>Net loss from foreign exchange transactions</b>		
	2015 €	2014 €
Unrealised exchange loss	<u>(3.959)</u>	<u>(4.037)</u>
	<b><u>(3.959)</u></b>	<b><u>(4.037)</u></b>