

# **CENTRIA S.r.l.**

Registered offices Via I. Cocchi, 14 - AREZZO

Share capital: € 10,000 fully paid.

VAT No.and Register of Companies of Arezzo No. 01705050514

## **MANAGEMENT REPORT AS AT 31/12/2013**

Dear Shareholders,

The financial statements for the year ended on 31/12/2013 which we submit for your approval highlights a negative result of €. 2,007.

The Company was incorporated by a deed of Notary Renato D'Ambra of Prato on 22/10/2013 Rep. No. 50666 and remained inactive throughout the period of competence of these financial statements as the transfer of the business unit relating to the activities of methane gas and LPG distribution took effect on 2 January 2014.

### **OPERATING ENVIRONMENT AND LINES OF DEVELOPMENT**

The Company has been inactive for the entire period of competence of these financial statements because the transfer of the business relating to the distribution of gas and LPG took effect on 2 January 2014.

### **Research and Development**

During the year, Centria Srl did not incur capitalised costs in research and development.

### **Investments**

During the year, Centria Srl did not make investments in view of the changing nature of the business carried on.

### **Relations with subsidiaries, associates, parent companies and affiliates**

As at 31/12/2013, Centria Srl is 100% controlled by Estra Spa but cannot exercise management and coordination of the Company because Centria is subject to the unbundling rules regarding administrative and accounting separation in accordance with procedures under Article. 11 of the TIU (Consolidated Unbundling Act) , i.e. in accordance with the "derogated" mode", as the Estra Group is a vertically integrated undertaking.

### **Consolidated financial statement**

Centria Srl is not required to prepare consolidated financial statements.

### **Information regarding the revaluation of assets**

No assets in assets were subject to monetary and/or economic adjustments.

### **Treasury shares and shares of parent companies**

The Company does not hold treasury shares.

The Company does not at this time hold, nor has purchased or sold during the year, shares of the parent company.

### **Branches**

As at 31/12/2013, the Company does not have branch offices.

### **Summary of results, assets, liabilities and financial position**

The negative result for the year as at 31 December 2013 was determined by the following items:

- Value of production value equal to € 0 thousand as the Company was inactive.
- Production costs for € 2 thousand for services.
- Net financial charges for € 33.
- No income taxes for the period.

Other information required pursuant to the amended Article. 2428 of the Italian Civil Code is shown in the Explanatory Notes, which fully show the evolution of the financial position with an appropriate statement of cash flows, as well as an analysis of the reclassified balance sheet and income statement, with economic and financial indices.

### **Information pursuant to Art. 2428, paragraph 2, section 6-bis of the Italian Civil Code**

Pursuant to Art. 2428, paragraph 2, section 6-bis of the Italian Civil Code, information is provided below regarding the use of financial instruments, as they are relevant to the evaluation of the economic and financial situation. There follows a volume of quantitative information on the scale of the company's exposure to risk.

### **Credit Risk**

The Company has no credit risk for the financial year 2013.

### **Liquidity Risk**

The Company has no liquidity risk for the financial year 2013.

## **IT Privacy Policy Document**

Pursuant to Annex B, paragraph 26 of Legislative Decree No. 196/2003 establishing the code for the protection of personal data, the directors acknowledge that the Company has complied with the measures for the protection of personal data, in light of the provisions introduced by Legislative Decree No. 196/2003 under the terms and conditions specified therein.

## **Significant events after the balance sheet date.**

After the closure of the financial year, 2 January 2014 saw the transfer of the business unit related to the distribution of methane gas and LPG.

The current Board of Directors was appointed on 14 February and was formally installed on 3 March 2014.

## **Business outlook**

Next year will see the management consolidation of legislation relating to the fourth regulatory period and the Company's organisational preparation for participation in tenders for gas distribution in the areas where the Company is operationally established.

## **Recommendation of the Board of Directors**

Dear Shareholders,

Confident of having your consent on the measurement criteria adopted and the setting of values in the balance sheet and income statement, having taken note of the Report of the Board of Auditors, we invite you to approve the financial statements as at 31/12/2013 which closed with a loss for the period of € 2,007, which we aim to remedy.

Arezzo 25 March 2013

For the Board of Directors  
Chief Executive Officer  
Siliano Stanganini

# **CENTRIA srl**

*Registered office in Arezzo - Via Iginio Cocchi 14*

*Share Capital: € 10,000*

*Fully paid-up*

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

Financial Statements Page 1

<b>BALANCE SHEET - ASSETS</b>		<b>31-Dec-2013</b>
A)	RECEIVABLES DUE FROM SHAREHOLDERS NOT YET PAID:	
	Total receivables due from shareholders not yet paid	
B)	FIXED ASSETS:	
	Intangible fixed assets	
	Tangible fixed assets:	
	Financial assets:	
	Total fixed assets:	
C)	CURRENT ASSETS	
I	Inventories:	
II	Receivables:	
	Financial assets that are not fixed assets:	
IV	Cash and cash equivalents:	
	1) bank and postal deposits	9,967
	Total	
	<b>Total current assets</b>	
D)	ACCRUED INCOME AND PREPAID EXPENSES:	
	Total accruals and deferrals	
	<b>TOTAL ASSETS</b>	<b>9,967</b>
<b>BALANCE SHEET - LIABILITIES</b>		<b>31-Dec-2013</b>
A)	SHAREHOLDERS' EQUITY:	
I	Share capital	10,000
IX	Profit/(loss) for the year	-2,007
	<b>Total equity</b>	<b>7,993</b>
B)	PROVISIONS FOR RISKS AND CHARGES:	
	Total provisions for risks and charges	
C)	EMPLOYEE SEVERANCE INDEMNITY	
D)	PAYABLES: Due after the next financial year	
	<b><u>31 -Dec-2013 31-Dec-2012</u></b>	
	7) payables to suppliers	1,974
	Total payables	1,974
E	ACCRUALS AND DEFERRALS	
	Total accruals and deferrals	
	<b>TOTAL LIABILITIES</b>	<b>9,967</b>

**INCOME STATEMENT****31-Dec-2013**

<b>A)</b>	<b>(+) VALUE OF PRODUCTION:</b>		
		Total	
<b>B)</b>	<b>(-) PRODUCTION COSTS</b>		
6)	for raw and ancillary materials, consumables and goods for resale		
7)	for services		-1,974
8)	for use of third party assets		
9)	for personnel:		
10)	depreciation, amortisation and write-downs:		
11)	changes in the inventories of raw and ancillary materials, consumables and goods for resale		
12)	provisions for risks		
13)	other provisions		
14)	various operating expenses		
		Total	-1,974
<b>(A-B)</b>	<b>DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION</b>		<b>-1,974</b>
<b>C)</b>	<b>FINANCIAL INCOME AND EXPENSES:</b>		
15)	(+) equity investment income:		
16)	(+) other financial income:		
17)	(-) interest and other financial expenses:		
	a) to third parties		-33
		Total	-33
<b>D)</b>	<b>VALUE ADJUSTMENTS ON FINANCIAL ASSETS</b>		
18)	(+) revaluations:		
19)	(-) write-downs:		
		Total adjustments	
<b>E)</b>	<b>EXTRAORDINARY INCOME AND EXPENSES</b>		
20)	(+) extraordinary income:		
21)	(-) extraordinary charges:		
		Total extraordinary items	
	Result before taxes		-2,007
22)	(-) income taxes for the period:		
		Total taxes on income	
<b>23)</b>	<b>NET INCOME FOR THE PERIOD</b>		<b>-2,007</b>

**Chief Executive Officer**  
**Silvano Stanganini**  
Signed

I the undersigned CEO declare that the information in this document is consistent with that transcribed and undersigned in the company ledgers. Declaration equivalent to certificate of compliance with Articles 47 and 76 of Presidential Decree 445/00. Stamp duty paid in virtual mode with the authorisation of the Tax Authorities Regional Directorate of Tuscany no. 4612/2014.

# **CENTRIA srl**

**Registered office in Arezzo - Via Igino Cocchi 14**

**Share Capital: € 10,000**

**Fully paid-up**

## **EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**

**as at 31 December 2013**

### **FOREWORD**

CENTRIA srl was incorporated on 22 October 2013 with a deed signed by notary Renato D'Ambra, registered in Prato at number 50666 and enrolled in the Register of Companies of Arezzo on 08/11/2013.

The company became fully operational in 2014 following the transfer of the business unit from the parent company ESTRA spa.

The financial statements at 31 December 2013 were the company's first, so comparison cannot be made with figures from previous years.

### **CRITERIA ADOPTED**

The following financial statements are in compliance with the provisions of Articles 2423 et seq. of the Italian Civil Code and consist of the balance sheet, income statement and the explanatory notes, prepared pursuant to Article 2427 of the Italian Civil Code, which are, pursuant to Article 2423, an integral part of the financial statements.

### **MEASUREMENT CRITERIA**

#### General criteria

The measurement criteria used in preparing the financial statements are those provided by Art. 2426 of the Italian Civil Code, supplemented and interpreted by the accounting standards issued by the interpreted and supplemented by the accounting standards published by the Organismo Italiano di Contabilità (Italian Accounting Body). The measurement of balance sheet items has been done in accordance with the general standard of prudence and accruals, on a going concern basis and taking into account the economic function of the asset or liability concerned.

The application of the prudence standard has resulted in the individual measurement of the elements comprising single recorded items or assets or liabilities, in order to avoid offsets between losses that should be recognised and profits not recognised due to not being realised.

In accordance with the accrual method, the effect of transactions and other events was booked and recorded in the fiscal year when such transactions and events occurred and not to the fiscal year of the corresponding cash movement (receipts and payments).

The continued application of measurement criteria over time is necessary for the purposes of comparability of the company financial statements over various years.

The measurement taking into account the economic function of the assets or liabilities under consideration, which expresses the principle of prevalence of substance over form - mandatory when not expressly inconsistent with other specific rules on financial statements - allows the representation of the transactions according to the economic situation underlying the formal aspects.

#### **Intangible and tangible fixed assets**

No item was included in fixed assets

**Financial assets**

No item was included in financial assets.

**Inventories**

As at 31 December 2013 there were no inventories related to raw materials, semi-finished and finished products.

**Receivables**

Receivables are shown at their estimated realisable value. This value is obtained by direct write-down of the receivables carried out analytically.

**Financial assets that are not investments**

As at 31 December 2013 there were no financial assets that were not fixed assets.

**Accruals and deferrals**

The accruals method is achieved by means of the posting of accrued expenses and deferred income and expense.

**Provisions for liabilities and charges**

No funds have been set aside for potential risks.

**Employee severance indemnity**

As at 31/12/2013 the company had no employees.

**Payables**

Payables are recognised at the settlement value.

**Costs and Revenues**

These are recorded according to the prudence and accruals principle; they are net of returns, bonuses, discounts and rebates as well as taxes directly related to the sale of products and the provision of services.

Analysis of financial statement items:

## ASSETS

### Balance Sheet - Assets

C.IV) Cash and cash equivalents

The balance of availability is as follows:

	31/12/2013	31/12/2012	Change	Change
Banks	9,967		9,967	
	<b>9,967</b>		<b>9,967</b>	

## LIABILITIES

### A) SHAREHOLDERS' EQUITY

#### STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

This statement highlights the changes in equity during the year.

	BALANCE 31/12/2012	Benfic. Result	Distributed to shareholders	Other changes	Profit for the year	BALANCE AS AT 31/12/2013
Share capital				10,000	-2,007	10,000
Profit/(loss) for the year						-2,007
<b>Total</b>				<b>10,000</b>	<b>-2,007)</b>	<b>7,993</b>

The share capital of € 10,000 fully paid by Estra, which is the 100% owner.

## INCOME STATEMENT

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### B ) PRODUCTION COSTS

#### BREAKDOWN OF COSTS FOR SERVICES

Description	31/12/2013	31/12/2012	Change	Change
Professional fees	1,974			
	<b>1,974</b>			

Refers to the reimbursement of advances on expenses for € 658 and € 1,316 for expenses and fees for the incorporation of the company.

#### FURTHER INFORMATION

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##### DIRECTORS' AND AUDITORS' FEES

It should be noted that in accordance with law, no compensation has been awarded to the Directors and Statutory Auditors.

##### INFORMATION WITH RELATED PARTIES

Pursuant to Art. 2427, paragraph 22 bis) of the Italian Civil Code, there are no transactions of note or carried out at non-normal market conditions with related-parties.

## FINANCIAL STATEMENT ANALYSIS

To aid a better overall understanding, the following tables give a brief financial statement analysis consisting of the reclassified balance sheet, reclassified income statement, a series of financial statement indices and the statement of cash flows.

The balance sheet is reclassified in accordance with a criterion of increasing liquidity and shows the total of short-term assets and total short-term liabilities so as to allow a careful evaluation of the overall financial position; the income statement has been set out in step-by-step form and, compared to the statutory income statement, shows the aggregates that form the operating margin but also a statement of costs by kind. For the sake of convenience, financial statement indices are calculated on the data of the final accounts. The cash flow statement shall be presented in order to highlight in an organic and structured manner the most significant changes in financial statement items. The "flow" form is the reporting method used, as recommended by the Consiglio Nazionale dei Dottori Commercialisti e dei Ragionieri (National Board of Chartered Accountants and Expert Book-keepers)

### FINANCIAL STATEMENT ANALYSIS - BALANCE SHEET

<b>ASSETS</b>	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>Changes</b>
<b>SHORT-TERM ASSETS</b>			
Cash and bank balances	9,967		
<i>Total short-term liabilities</i>	9,967		1,974
<b>FIXED ASSETS:</b>			
<i>Total fixed assets</i>			
<b>TOTAL ASSETS</b>			
<b>LIABILITIES AND EQUITY</b>			
<b>SHORT-TERM LIABILITIES</b>			
Suppliers	1,974		
<i>Total short-term liabilities</i>	1,974		1,974
<b>M/L TERM LIABILITIES</b>			
<i>Total M/L term liabilities</i>			
<b>Total liabilities</b>	<b>1,974</b>		<b>1,974</b>
<b>EQUITY</b>			
Share capital	10,000		
Net income (loss)	-2,007		
<b>Total equity</b>	<b>7,993</b>		<b>7,993</b>
<b>TOTAL</b>	<b>9,967</b>		<b>9,967</b>

**FINANCIAL STATEMENT ANALYSIS - INCOME STATEMENT**

<b>INCOME STATEMENT</b>	<b>31/12/2013</b>	<b>o/o</b>	<b>31/12/2012</b>	<b>o/o</b>	<b>Changes</b>	<b>Changes %</b>
<i>net sales</i>						
capitalised costs						
operating costs:						
provision of services	-1,974				-1,974	
<i>operating result</i>	-1,974				-1,974	
sundry expenses	-33				-33	
<i>result before taxes</i>	-2,007				-2,007	
<i>taxes on income:</i>						
<b>PROFIT (LOSS) FOR THE YEAR</b>	<b>-2,007</b>				<b>-2,007</b>	

**Statement of cash flows (flows)**

	31/12/2013	31/12/2012
<b>CASH FLOWS FROM OPERATIONS:</b>		
Loss for the year	-2,007	
Adjustments relating to items that have no effect on liquidity:		
Total	-2,007	
Changes in current assets and liabilities:		
Sundry suppliers/debtors	1,974	
Total	1,974	
Cash flow from operations	-33	
<b>CASH FLOWS FROM INVESTMENTS:</b>		
Total		
<b>CASH FLOWS FROM FINANCIAL ACTIVITIES:</b>		
Share capital increase	10,000	
Total	<b>10,000</b>	
<b>INCREASE (DECR.) IN CASH AND BANKS</b>	<b>9,967</b>	
<b>CASH AND BANK BALANCES AT YEAR END</b>	<b>9,967</b>	

**Chief Executive Officer**  
**Siliano Stanganini**  
 Signed

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**STATUTORY AUDITORS' REPORT**  
**TO THE SHAREHOLDERS' MEETING PURSUANT TO ART. 2429, PARA 2, ITALIAN CIVIL CODE**

To the Shareholders of Centria srl

During the financial year ended on 31/12/2013 our business has been guided by the provisions of law and rules of conduct of the Board of Auditors issued by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (National Council of Chartered Accountants and Accounting Experts).

▪ ***Supervisory activities***

We have overseen compliance with the law and company bylaws and with the principles of good management.

We have participated in shareholders' meetings and Board meetings, in the course of which, on the basis of available information, we detected no breaches of the law or company bylaws, nor any operations that were manifestly imprudent, careless or likely to compromise the integrity of the company's equity and assets.

During the meetings held we acquired from the CEO and the Director General information on the general business performance and outlook, in addition to company transactions significant by size or nature; on the basis of the information gathered, we have no particular comments to make.

We have acquired knowledge and overseen, to the extent of our competence, the adequacy and functioning of the organisational structure of the company, also by means of the collection of information from department heads and in this respect we have no particular comments to make.

We have acquired knowledge and overseen, to the extent of our competence, the adequacy and functioning of the administrative and accounting system in addition to its reliability in providing a correct representation of management events, by obtaining information from department heads and reviewing company documents; in this regard we have no particular comments to make.

▪ ***Financial Statements***

We have reviewed the draft financial statements as at 31/12/2013, put at our disposal in terms referred to in article 2429 of the Italian Civil Code, in which regard we report as follows.

We have monitored the general approach adopted towards the financial statements, their general compliance with law regarding their formation and structure and we observe in particular the following:

- the costs of incorporation of the company have been considered entirely as operating costs; article 2426 of the Italian Civil Code provides that "they *may* be recorded among assets", and not *must*; the capitalisation of these costs is an option of the firm as such expenses can be fully charged to the income statement for the year in which they are incurred (Court of Cassation 11 January 2006 No. 377).

▪ **Conclusions**

Considering that the financial statements as at 31/12/2013 concern a fraction of a year when the company was still inactive, the Board proposes that the Shareholders' Meeting approve the financial statements as at 31/12/2013, as prepared by the Directors taking account of this relevant fact.

Prato, 25 March 2014

**The Board of Auditors**

Luca Quercioli

Marco Tanini

Caterina Fiore