

GEO THERMAL INTERNATIONAL LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2015

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GEO THERMAL INTERNATIONAL LIMITED

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GEOTHERMAL INTERNATIONAL LIMITED

COMPANY INFORMATION FOR THE PERIOD ENDED 31ST DECEMBER 2015

DIRECTORS:

B Gautier
M Fellowes
S Lawrie
N Simpson
G Walsh
J Walsh

SECRETARY:

J Healy

REGISTERED OFFICE:

Shillingwood House
Westwood Way
Westwood Business Park
Coventry
CV4 8JZ

REGISTERED NUMBER:

05397984

AUDITOR:

Moore Stephens LLP
35 Calthorpe Road
Edgbaston
B15 1TS

GEOTHERMAL INTERNATIONAL LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31ST DECEMBER 2015

The directors present their strategic report for Geothermal International Limited (the “Company”) for the period ended 31st December 2015. The Company has shortened its financial period of account to coincide with the financial close date of the Electricity Supply Board group of companies, who acquired a controlling stake in the Company on 2nd July 2015. As a result of this change and the shortened trading period, the amounts presented in these financial statements are not fully comparable with the prior year results.

OBJECTIVES AND STRATEGY

The principal activities of the Company, in the period under review, were that of design, installation, control and maintenance of renewable energy solutions integrating our heritage in geothermal heating and cooling systems with complimentary green technologies.

Our vision is to be recognised as the leading provider of sustainable energy solutions.

The Company has branded its business as GI Energy and is well positioned to deliver efficient energy solutions, provided across a number of technologies, tailored towards larger energy consumers.

The director’s believe that it is appropriately situated geographically to take advantage of the key growth markets within this sector and that it is appropriately sized for the markets in which it operates.

REVIEW OF THE BUSINESS RESULTS

The Company reports a material reduction in operating losses from a static level of revenue. This continues the trends seen within the business in the past three years.

There has been increased uncertainty in the renewable energy market across this financial period, built upon anticipation of the outcome of the Government Comprehensive Spend Review and the implications for the differing technologies. The industry has also not been helped by the failures of higher profile renewable energy providers (led by domestic providers in single technology). Despite the challenges inherent within the market of the Company’s principal activity, the Company has delivered consistent revenue and has improved gross margins.

The Company is focussed upon attracting growth via its two pronged strategy of delivering complex integrated solutions to flagship developments or delivering material carbon and financial savings to commercial clients by deploying across multiple sites.

The directors monitor both financial and non financial key performance indicators on a monthly basis. The Company’s key financial performance indicators during the period were as follows:

	31 Dec 15 Reported £’000	31 Dec 15 Annualised* £’000	30 Jun 15 Reported £’000	Change %
Company turnover	2,857	5,714	5,724	(0.2%)
Company underlying EBITDA	(451)	(902)	(1,677)	46.2%
Equity shareholders’ funds	3,518	3,518	2,849	23.5%
Turnover per employee	95	95	96	(1.0%)

*Annualised information is calculated by pro-rating the trading period of account to be equivalent to the comparative year

GEOTHERMAL INTERNATIONAL LIMITED

STRATEGIC REPORT - continued FOR THE PERIOD ENDED 31ST DECEMBER 2015

Company turnover is used as a key performance indicator (KPI) as it highlights whether the Company has been successful in securing demand for its principal activities.

The Company has seen a stable turnover in the period. This continues the trend seen in the past financial period where revenue had stabilised after a number of years of decline. The Company has experienced an improved level of repeat sales activity, which alongside the growth in the size and volume of tendering opportunities, gives confidence in our expectation of improving turnover in the coming financial years. Our belief is driven from an improved wider economic climate and our innovation to be able to deliver a market leading solution for our customers.

Company underlying EBITDA is seen as the key indicator of the Company as it reports the Company's ability to generate cash from operations. The current period improvement has been led by improved cost control in the business and specifically cost reduction actions that were undertaken during the previous financial period. The directors are satisfied that improvement actions in the cost control of the group over the past eighteen months will limit the future exposure to the significant EBITDA losses experienced previously.

The Company is focussed upon growing its activity within its existing cost infrastructure to end reliance on existing sources of equity financing.

Equity shareholders' funds is used as a KPI to demonstrate the financial strength of the Company. The current period improvement has been driven by an equity capital injection into the Company partially offset by the EBITDA loss for the financial period. The Company will continue to monitor capital standing against its near term forecast projections.

Turnover per employee is used as an indicator to measure the cost control of the Company. The minor current period reduction is led by the transitioning of higher paid middle management positions to added operational delivery resource. This has resulted in a reduction of average cost per employee and has given the Company added operational capacity.

The directors are satisfied that the Company is now positioned to deliver improved financial results but are aware that the Company must improve performance to remove reliance on securing new sources of finance.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have identified the following principal risks facing the Company:

- liquidity risk of the Company being unable to raise finance to meet the Company's requirements;
- competitive pressure in the Company's markets which could affect the profitability available in these markets; and
- credit risk associated to key contracts and customers.

The Company monitors the risks and uncertainties it faces and will mitigate wherever possible.

GEOTHERMAL INTERNATIONAL LIMITED

STRATEGIC REPORT - continued FOR THE PERIOD ENDED 31ST DECEMBER 2015

The Company monitors available funds for upcoming operations and planned activities. Funding comes from the cash flow it generates from customer contracts and if applicable, new and existing investors.

The Company operates a governance framework that will assess the impact of major contract bids prior to the submission of the bid to the customers. This protects the Company against exposure to loss making contracts which could harm the financial stability.

The Company proactively pushes itself towards innovative value-add solutions for which the Company is sized to support; where price is unlikely to be the only criteria in determination of the successful tendering party.

The Company actively monitors customers' credit standing and seeks to build strong relationships with a broad customer base to ensure it is not unduly exposed to credit risk. Although the majority of the Company's customers are large corporations, the Company believes that it provides a high quality service to customers and maintaining good relations will protect the Company against risk of a customer failure.

The directors are confident that there are suitable policies in place and there are no material risks and uncertainties which have not been considered.

FINANCIAL INSTRUMENTS

The Company's financial instruments comprise cash, loan notes and other items, such as trade debtors and creditors that arise directly from its operations. The main purpose of these instruments is to provide finance for the Company's operations.

No trading in derivatives or financial instruments was undertaken during the period.

The main risks associated to these financial instruments of the Company are liquidity risk and credit risk.

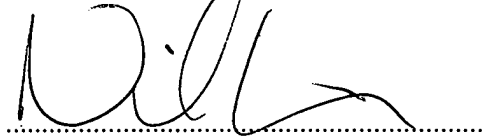
Liquidity Risk

The Company manages working capital alongside treasury in a centralised team to ensure there is high visibility of the upcoming treasury requirements of the Company. As the Company has been reliant upon equity injections, the Company can effectively manage its affairs internally unless a funding requirement is foreseen.

Credit Risk

The Company minimises its credit risk by analysing external credit assessments of its customers. The contractual nature of the Company's activities will allow the Company to monitor the actions of its customers as an indication of potential credit risk associated to the contracts.

ON BEHALF OF THE BOARD:



N Simpson - Director

Date: 14 April 2016

GEOHERMAL INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS FOR THE PERIOD ENDED 31ST DECEMBER 2015

The directors present their report with the audited financial statements of the Company for the period ended 31st December 2015.

DIRECTORS

The directors who have held office during the period from 1st July 2015 to the date of this report are as follows:

B Gautier

M Fellowes

A Robison – resigned 2nd July 2015

S Lawrie – appointed 23rd September 2015

N Simpson – appointed 23rd September 2015

G Walsh – appointed 23rd September 2015

J Walsh – appointed 23rd September 2015

During the period the Company had in force an indemnity provision in favour of one or more directors of Geothermal International Limited against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006.

RESULTS & DIVIDENDS

The loss for the period after taxation is £566k (2015 – £1,645k loss).

The directors do not recommend the payment of a dividend (2015 – £nil).

RESEARCH & DEVELOPMENT

The directors believe that innovation is key to a successful future. Although the Company seeks to develop innovative solutions to its contracted activity, it does not specifically invest in research activity. The Company has incurred development costs of £150k in the financial period (June 2015 - £366k).

FUTURE DEVELOPMENT

The Board remains confident about the future trading opportunities of the business. The improving macro-economic environment should improve the volume and, more significantly, the finance available for complimentary services within capital projects.

The Board expect demand to increase from customers who:

- Need to find a solution to mitigate significant increases in energy costs;
- Meet their own and legislative requirements with regard to carbon targets;
- Take advantage of the regional and national incentives available.

GEOHERMAL INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS - continued FOR THE PERIOD ENDED 31ST DECEMBER 2015

As part of the global need to meet low carbon targets, the UK government has recommitted to reducing carbon emissions and continues to support green-heat technologies by the Renewable Heat Incentive (RHI). The RHI tariffs give most benefit to heat-pumps, the heritage of the Company. The increasing awareness of RHI in the market and the availability of finance should increase demand for the Company's products and services.

The Company has considerably reduced its financial risk over the past few years, removing loss making activities and rationalising the Company cost base, whilst investing in business development and marketing to increase the breadth of our activity. We remain confident that the business is well placed to deliver growth and ultimately start to generate operating profits.

The Company raised an additional investment in the financial period, thus showing the commitment of the Company's investors to the Company strategy.

GOING CONCERN

The Company actively monitors its upcoming cash requirements and adopts downside sensitivities to assess the risk associated with its projected cash position. Although the operating performance Company has continued to improve, the Company remains loss making and has continued to rely upon the introduction of new capital to maintain solvency. To assess the application of going concern, the directors have considered:

- The Company's medium term strategic plan and the associated financial forecasts;
- The approach of UK government to the application of the geothermal heating in the UK; and
- The sentiment of the majority shareholder to supporting the Company.

The financial forecasts highlight that there is a risk that further capital may be required whilst the Company seeks to invest in the longer term market take up of geothermal heat pump led heating and cooling systems. The assessment has also confirmed that UK Government remains committed to the application of geothermal heating and that the Company's majority shareholder is supportive of the Company; by not seeking repayment of the loan due and would consider providing financial support, should the need arise.

As a result of the assessment, the directors continue to adopt the going concern basis in preparing the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable UK law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare 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.

GEO THERMAL INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS - continued FOR THE PERIOD ENDED 31ST DECEMBER 2015

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; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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.

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

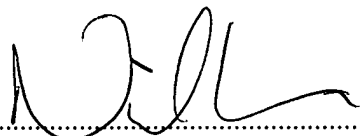
The directors who were members of the board at the time of approving the directors' report are listed on page 1 of these statements. Having made enquiries of fellow directors and of the Company's auditors, each of the directors confirms that:

- To the best of each director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- Each director has taken all the steps that a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITOR

The auditor, Moore Stephens LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



N Simpson - Director

Date: 14 April 2016

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS GEOTHERMAL INTERNATIONAL LIMITED

We have audited the financial statements ("the financial statements") of Geothermal International Limited for the period ended 31 December 2015 which comprise of statement of comprehensive income, balance sheet and the related notes. 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the Company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders 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 set out on pages 4, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report 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 state of the Company's affairs as at 31 December 2015 and of its loss for the period 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic and directors' reports for the financial period for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS
GEOTHERMAL INTERNATIONAL LIMITED - continued**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


Moore Stephens LLP

Paul Fenner (Senior Statutory Auditor)

For and on behalf of Moore Stephens LLP (Statutory Auditor)

Chartered Accountants and Statutory Auditor

35 Calthorpe Road

Edgbaston Birmingham

Birmingham

B15 1TS

Date 14 April 2016

GEOTHERMAL INTERNATIONAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST DECEMBER 2015

	Notes	31 Dec 15 £'000	30 Jun 15 £'000
TURNOVER	3	2,857	5,724
Cost of sales		<u>(2,315)</u>	<u>(4,731)</u>
GROSS PROFIT		542	993
Non exceptional administration expenses		<u>(993)</u>	<u>(2,670)</u>
UNDERLYING EBITDA		(451)	(1,677)
Depreciation charges		(14)	(21)
Exceptional costs	6	<u>(79)</u>	<u>(76)</u>
OPERATING LOSS	7	(544)	(1,774)
Interest payable and similar charges	8	<u>(22)</u>	<u>(33)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(566)	(1,807)
Tax on loss on ordinary activities	9	<u>-</u>	<u>162</u>
LOSS FOR THE FINANCIAL PERIOD AFTER TAXATION		<u>(566)</u>	<u>(1,645)</u>

There are no items of other comprehensive income in the period.

BALANCE SHEET
31ST DECEMBER 2015

	Notes	£'000	31 Dec 15 £'000	£'000	30 Jun 15 £'000
FIXED ASSETS					
Intangible assets	10		2,588		2,588
Tangible assets	11		128		48
Investments	12		-		-
			2,716		2,636
CURRENT ASSETS					
Stocks	13	183		133	
Debtors :	14				
Amounts falling due within one year		1,883		1,681	
Amounts falling due after one year		191		157	
			2,074	1,838	
Cash at bank			776	228	
			3,033	2,199	
CREDITORS					
Amounts falling due within one year	15	1,807		1,528	
NET CURRENT ASSETS			1,226		671
TOTAL ASSETS LESS CURRENT LIABILITIES			3,942		3,307
CREDITORS					
Amounts falling due after more than one year	16		275		275
Provisions for liabilities	19		149		183
NET ASSETS			3,518		2,849
CAPITAL AND RESERVES					
Called up share capital	20		1,713		478
Share premium	21		-		21,968
Profit and loss account	21		1,805		(19,597)
SHAREHOLDERS' FUNDS			3,518		2,849

The financial statements were approved by the Board of Directors on 14 April 2016 and were signed on its behalf by:



N Simpson - Director

GEOTHERMAL INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST DECEMBER 2015

	Share Capital £'000	Share Premium £'000	P&L Reserve £'000	Total Equity £'000
At 1 st July 2014:	435	20,533	(17,952)	2,849
Loss for the financial period	-	-	(1,645)	(1,645)
Shares issued	43	1,462	-	1,505
Costs associated to share issue	-	(27)	-	(27)
At 30 th June 2015	478	21,968	(19,597)	2,849
Loss for the financial period	-	-	(566)	(566)
Shares issued	1,235	-	-	1,235
Capital reduction	-	(21,968)	21,968	-
At 31 ST DECEMBER 2015	<u>1,713</u>	<u>-</u>	<u>1,805</u>	<u>3,518</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2015**

1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FRS101

The Company has prepared financial statements for the period ended 31st December 2015. The Company has shortened its financial period of account to coincide with the financial close date of the Electricity Supply Board group of companies, who acquired a controlling stake in the Company on 2nd July 2015. As a result of this change and the shortened trading period, the amounts presented in these financial statements are not fully comparable with the prior year results.

The financial statements of Geothermal International Limited (the “Company”) for the period ended 31st December 2015 were authorised for issue by the board of directors on 14 April 2016 and the balance sheet was signed on the board’s behalf by Neil Simpson. Geothermal International Limited is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (“FRS101”) and in accordance with applicable accounting standards. The Company has used a true and fair override in respect of non-amortisation of goodwill (see note 2).

These financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£’000) except where otherwise indicated.

The results of the Company are included within the consolidated financial statements of the Electricity Supply Board, incorporated in the Republic of Ireland. The consolidated financial statements of the Electricity Supply Board are available to the public and may be obtained from www.esb.ie or 27, Lower Fitzwilliam Street, Dublin 2, Ireland.

The principal accounting policies adopted by the Company are set out in note 2.

2. ACCOUNTING POLICIES

Basis of preparation

FRS101 sets out a reduced disclosure framework for ‘qualifying entities’ (as defined within that standard) which addresses the financial reporting requirements and disclosure exemptions in the financial statements that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards (“IFRS”). As a qualifying entity, the Company has prepared these financial statements in accordance with FRS101 and the Companies Act 2006 (“CA2006”).

These are the first financial statements of the Company which have been prepared in accordance with FRS101. The Company’s date of transition to FRS101 is 1st July 2014. The Company has notified its shareholders in writing about the use of the disclosure exemptions used by the Company in these financial statements and can confirm that no objection was received.

FRS101 sets out amendments to EU-adopted IFRS that are necessary to achieve compliance with CA2006 and related regulations. The impact of these amendments to the Company’s previously adopted accounting policies (in accordance with UK GAAP) was not material on the shareholder’s equity as at the date of transition.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD ENDED 31ST DECEMBER 2015

2. ACCOUNTING POLICIES - continued

The disclosure exemptions adopted by the Company in accordance with FRS101 are as follows:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of IAS 7 Statement of Cash Flows

The financial statements have been prepared under the historical cost convention.

First time application of FRS 101

In the current year the Company has adopted FRS 101. In previous years, the financial statements of the Company were prepared in accordance with applicable UK accounting standards.

This change in the basis of preparation has not materially altered the recognition and measurement requirements previously applied in accordance with UK GAAP. An explanation of the impact of the adoption of FRS 100 and FRS 101 for the first time is included in the note 26.

The comparative information has been amended where necessary to reflect the disclosure requirements of FRS 101.

Consolidated financial statements

The Company is exempt by virtue of s.401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Changes in accounting policy and disclosures

There are no changes to IFRS effective in 2014 or 2015 which have had a material impact on the Company.

Going concern

The Company actively monitors its upcoming cash requirements and adopts downside sensitivities to assess the risk associated with its projected cash position. Although the operating performance Company has continued to improve, the Company remains loss making and has continued to rely upon the introduction of new capital to maintain solvency. To assess the application of going concern, the directors have considered:

- the Company's medium term strategic plan and the associated financial forecasts;
- the approach of UK government to the application of the geothermal heating in the UK; and
- the sentiment of the majority shareholder to supporting the Company.

The financial forecasts highlight that there is a risk that further capital may be required whilst the Company seeks to invest in the longer term market take up of geothermal heat pump led heating and cooling systems. The assessment has also confirmed that UK Government remains committed to the application of geothermal heating and that the Company's majority shareholder is supportive of the Company; by not seeking repayment of the loan due and would consider providing financial support, should the need arise.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD ENDED 31ST DECEMBER 2015

2. ACCOUNTING POLICIES - continued

As a result of the assessment, the directors continue to adopt the going concern basis in preparing the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the financial period. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from involving estimates) have had the most significant effect on amounts recognised in the financial statements:

- **Amounts recoverable on contracts** – the Company applies for contractual revenue on an application basis. Management exercise judgement in making provision against applications with regard to potential disagreements in the stage of completion or disputed contractual sums;
- **Warranty provisions** – the Company completes warranty work upon completed installations. At the financial period end, an estimate of the future liability is calculated using historic performance and management judgement; and
- **Deferred taxation** – management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the estimated timing and level of future taxable profits together with an assessment of future tax planning strategies.
- **Goodwill** – management judgement is required to determine the future cash flow the Company can derive and the discount factor that should be applied to these cash flows to determine the valuation of goodwill.

Significant Accounting Policies:

a) Revenue & profit recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and that revenue and profit can be reliably measured. Revenue is measured at fair value of consideration receivable, excluding discounts and sales taxes.

Revenue from the installation of renewable energy solutions is recognised by reference to the value of work carried out to date, including estimates of amounts not invoiced. The value of works carried out to date is measured by reference to the stage of completion of individual activities itemised within the installation contract. The amount of profit attributable to the stage of completion of a long-term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty.

In respect of contracts for maintenance and monitoring services, revenue is recognised across the contracted service period on a daily basis. In instances where paid repairs or remediation works are undertaken, revenue and profit is recognised when the obligations conditional to the repair have been discharged.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD ENDED 31ST DECEMBER 2015

2. ACCOUNTING POLICIES - continued

b) Development expenditure

Development expenditure on an individual project is recognised as an intangible asset when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised evenly over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Research and development tax credits are included within administration costs.

c) Pension costs

The Company runs a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the profit and loss account.

d) Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Motor vehicles:	- 33.33% per annum on cost
Plant and machinery: Works plant and machinery	- 33.33% per annum on cost
Drilling rigs	- 20% per annum on cost

The Company does not charge depreciation on assets under construction. When assets under construction are brought into use, they are transferred to the relevant asset category and depreciation charges are commenced.

e) Exceptional items

The Company presents as exceptional items those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to better understand the financial performance of the Company.

f) Intangible assets

Intangible assets comprise goodwill. Goodwill is initially measured at cost being the excess of the aggregate of the acquisition-date fair value of the consideration over the net identifiable amounts of the assets acquired and the liabilities assumed in exchange for the business combination.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD ENDED 31ST DECEMBER 2015

2. ACCOUNTING POLICIES - continued

f) Intangible assets - continued

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash-generating units (or groups of cash generating units) that are expected to benefit from the combination. Each unit or group of units to which goodwill is allocated shall represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and not be larger than an operating segment before aggregation.

CA2006 requires goodwill to be reduced by provisions for amortisation on a systematic basis over its useful economic life. However, under IFRS 3 Business Combinations goodwill is not amortised. Consequently, the Company does not amortise goodwill, but reviews it for impairment on an annual basis or whenever there are indicators of impairment.

The Company is therefore invoking a 'true and fair view override' to overcome the prohibition on the non-amortisation of goodwill in CA2006. The Company is unable to reliably estimate the impact on the financial statements of the true and fair override on the basis that the useful life of goodwill cannot be reliably predicted, nor can the pattern in which goodwill diminishes be known.

g) Tangible fixed assets

All tangible assets are recorded at cost. The carrying values of tangible fixed assets are reviewed for impairment when changes in circumstances indicate the carrying value may not be recoverable.

h) Investments

Investments in subsidiaries and associates are held at historic cost less any applicable provision for impairment.

i) Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Purchase cost of stock is calculated on a first-in, first-out basis.

Long term contracts are stated at net cost less foreseeable losses, less any applicable payments on account. The amount recorded as turnover in respect of long term contracts is ascertained by reference to the value of the work carried out to date. Attributable profit is recognised as the difference between recorded turnover and related costs.

j) Deferred tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between amounts used for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised only to the extent that the directors consider that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at tax rates that have been (substantively) enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD ENDED 31ST DECEMBER 2015

2. ACCOUNTING POLICIES - continued

k) Foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date.

All differences are taken to the income statement.

l) Hire purchase and leasing commitments

Assets held under finance leases, where all the substantial risks and benefits incidental to ownership of the leased item are transferred to the Company, are capitalised at the inception of the lease, with a corresponding liability being recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged in the income statement on a straight line basis over the lease term.

m) Provisions

A provision is recognised when the Company has a legal or constructive obligation due to a past event and that a reliable estimate can be made of a probable outflow of economic benefits that will be required to settle the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects the risks specific to the liability.

n) Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement: as either, financial assets, financial liabilities or equity instruments.

m) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors. These are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

The principal financial assets and liabilities of the Company are as follows:

Trade and other debtors: Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD ENDED 31ST DECEMBER 2015

2. ACCOUNTING POLICIES - continued

m) Non-derivative financial instruments

Trade and other creditors: Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents: Cash and cash equivalents comprise cash balances and call deposits with an original maturity at inception of three months or less.

3. TURNOVER

The turnover and loss before taxation are wholly attributable to the one principal activity of the Company and to the UK geographic market.

4. STAFF COSTS

The aggregate payroll costs, including directors' emoluments:	31 Dec 15 £'000	30 Jun 15 £'000
Wages and salaries	1,216	2,598
Social security costs	144	284
Employer pension costs	8	15
	<u>1,368</u>	<u>2,897</u>

The Company operates a defined contribution pension scheme for its directors and employees. The assets of the schemes are held separately from those of the Company in an independently administered fund. There were unpaid contributions outstanding at the 31st December 2015 of £3k (June 2015 – £3k).

The average number of staff employed by the Company during the financial period was:	31 Dec 15 No.	30 Jun 15 No.
Number of production staff	23	23
Number of administrative staff	37	37
	<u>60</u>	<u>60</u>

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD ENDED 31ST DECEMBER 2015

4. STAFF COSTS - continued

The directors' aggregate remuneration in respect of qualifying services were:

	31 Dec 15 £'000	30 Jun 15 £'000
Aggregate remuneration in respect of qualifying services	<u>80</u>	<u>263</u>

Emoluments earned by the highest paid director in the period amounted to £36k (June 2015 - £109k), including contributions of £0 (June 2015 – £nil) to money purchase pension schemes.

Retirement benefits are accruing to two directors (June 2015 – two) under defined contribution pension schemes.

No director's exercised share options in the period (June 2015 – nil).

The Company paid no compensation for directors loss of office (June 2015 – £51k in respect of two directors, which has been included within aggregate remuneration).

The service of one of the directors is supplied by another company over which that director exercises significant influence. This is included above and reported within the related party transactions note.

5. SHARE-BASED PAYMENTS

The Company has a share option scheme for certain employees. The scheme was established under HMRC EMI scheme rules but disqualified from EMI status on 2nd July 2015 as a result of changes in the ownership structure of the Company.

In the period ended 31st December 2015, no share options were granted or exercised. During the period 20,200 share options were forfeited. There were 163,748 share options outstanding at 31st December 2015 (30 June 2015 – 183,948) and 25 scheme members (2015 – 30).

Options are exercisable at differing prices. 75,848 options have an exercise price of £0.125 per share, 84,200 options have an exercise price of £1.50 per share and 3,700 options have an exercise price of £10.00 per share. The vesting period is dependent on a number of criteria being satisfied and as such cannot be reliably ascertained. As a result, there is no definitive exercise date.

The options may not be exercised until the Company obtains a listing on a recognised stock exchange or receives an acceptable takeover offer. Options are forfeited if the employee leaves the Company before the options vest. The options are settled in equity once exercised.

Due to these criteria, in the opinion of the directors, the fair value of these share options are not material.

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD ENDED 31ST DECEMBER 2015

6. EXCEPTIONAL COSTS

Exceptional administration items recognised in arriving at operating loss:

Provision against subsidiary loans	40	76
Legal fees associated to changes of the Company capital structure	<u>39</u>	<u>-</u>

The Company has disclosed these costs as exceptional as they do not relate to continuing operations.

7. OPERATING LOSS

The operating loss is stated after charging / (crediting):

	31 Dec 15 £'000	30 Jun 15 £'000
Depreciation – owned assets	14	21
(Profit) on sale of tangible fixed assets	(36)	(11)
Operating lease rentals – land & buildings	45	128
Operating lease rentals – other	29	23
Auditor remuneration for audit services	14	17
Auditor remuneration for non audit services:		
- taxation services	1	1
Foreign exchange differences	1	2
Research & development expenditure	<u>150</u>	<u>366</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	31 Dec 15 £'000	30 Jun 15 £'000
Interest payable	22	43
Net interest payable / (receivable)	<u>-</u>	<u>(10)</u>
	<u>22</u>	<u>33</u>

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD ENDED 31ST DECEMBER 2015

9. TAXATION

Analysis of the tax credit

The tax charge on the loss on ordinary activities for the period was as follows:

	31 Dec 15 £'000	30 Jun 15 £'000
Current period credit	-	-
Previous periods payable tax claim credit	-	(162)
Tax on loss on ordinary activities	<u>-</u>	<u>(162)</u>

Factors affecting the tax charge

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31 Dec 15 £'000	30 Jun 15 £'000
Loss on ordinary activities before tax	<u>(566)</u>	<u>(2,043)</u>
Loss on ordinary activities multiplied by the standard rate of Corporation Tax in the UK of 20% (2015 – 20.75%)	(113)	(424)
Effects of:		
Expenses not deductible for tax purposes	16	4
Depreciation in excess of capital allowances	(19)	29
Unrelieved tax losses carried forward	<u>116</u>	<u>391</u>
Current period tax credit	<u>-</u>	<u>-</u>

At 31 December 2015, there are unrecognised deferred tax assets of £2,857k (June 2015 - £2,745k) related to UK tax losses recoverable (calculated at 20%) and £74k (June 2015 - £39k) relating to depreciation charged in excess of capital allowances. These amounts will only be recognised when the directors consider that the nature and size of the Company's profits make it appropriate to do so.

Each percentage point change in the rate of corporation tax will adjust the value of the unrecognised deferred tax asset by £144k (June 2015 - £139k).

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD ENDED 31ST DECEMBER 2015

10. INTANGIBLE FIXED ASSETS

	Goodwill £'000
COST	
At 1 st July 2015	
and 31 st December 2015	<u>4,708</u>
IMPAIRMENT	
At 1 st July 2015	
and 31 st December 2015	<u>2,120</u>
NET BOOK VALUE	
At 1 st July 2015	
and 31 st December 2015	<u>2,588</u>

The directors have performed an impairment review on the value of goodwill, specifically reviewing the future cash generation of the income generating units to which the goodwill relates. Where no provision is made, it is the opinion of the directors that the value of goodwill is recoverable.

11. TANGIBLE FIXED ASSETS

	Assets Under Construction £'000	Motor Vehicles £'000	Plant and Machinery £'000	Totals £'000
COST				
At 1 st July 2015	-	188	1,068	1,256
Additions	65	3	26	94
Disposals	<u>-</u>	<u>(95)</u>	<u>(189)</u>	<u>(284)</u>
At 31 st December 2015	<u>65</u>	<u>96</u>	<u>905</u>	<u>1,066</u>
DEPRECIATION				
At 1 st July 2015	-	185	1,023	1,208
Charge for the period	-	1	13	14
Eliminated on disposal	<u>-</u>	<u>(95)</u>	<u>(189)</u>	<u>(284)</u>
At 31 st December 2015	<u>-</u>	<u>91</u>	<u>847</u>	<u>938</u>
NET BOOK VALUE				
At 31 st December 2015	<u>65</u>	<u>5</u>	<u>58</u>	<u>128</u>
At 30 th June 2015	<u>-</u>	<u>3</u>	<u>45</u>	<u>48</u>

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD ENDED 31ST DECEMBER 2015

12. INVESTMENTS

	Shares in Group Undertakings £'000	Other Investments £'000	Total £'000
COST			
At 1 st July 2015			
and 31 st December 2015	<u>351</u>	<u>22</u>	<u>373</u>
PROVISIONS			
At 1 st July 2015			
and 31 st December 2015	<u>351</u>	<u>22</u>	<u>373</u>
NET BOOK VALUE			
At 31 st December 2015			
and 30 th June 2015	<u>-</u>	<u>-</u>	<u>-</u>

The Company holds the following investments:

Investments are held by the Company unless indicated(*), where they are held by the intermediary holding company Geothermal International Holdings North America Inc.

Subsidiary undertakings	Nature of business	Group holding
Geothermal International Espana S.A. (Spain)	Non trading	100% Ordinary
Geothermal International Holdings North America Inc (USA)	Dormant	100% Ordinary
Geothermal International Polska Sp Z.o.o. (Poland)	Dormant	89% Ordinary
Other investments		
Geothermal International Italia S.R.L. (Italy)	Trading	20% Ordinary
Geothermal International (Magyarország) (Hungary)	Dormant	40% Ordinary
Geothermal International Hrvatska d.o.o. (Croatia)	Dormant	10% Ordinary
*GI Endurant LLC (USA)	Trading	2.45% Economic
*American Geo Energy LLC (USA)	Dormant	2.45% Economic
*Endurant Energy Systems LLC (USA)	Dormant	2.45% Economic
*Endurant Energy Construction Services LLC (USA)	Dormant	2.45% Economic

The aggregate capital and reserves and profit/(loss) for the subsidiaries listed above as at 31 December 2015 were as follows:

	Aggregate capital and reserves £'000	Profit/(loss) for the period £'000
Geothermal International Espana S.A. (Spain)#	(35)	425
Geothermal International Holdings North America Inc (USA)#	(3,947)	(3,417)
Geothermal International Polska Sp Z.o.o. (Poland)#	<u>(13)</u>	<u>-</u>

#results for the year ended 30th June 2015

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD ENDED 31ST DECEMBER 2015

13. STOCKS

	31 Dec 15 £'000	30 Jun 15 £'000
Stock	21	42
Net costs on contract less foreseeable losses	162	91
	<u>183</u>	<u>133</u>

14. DEBTORS

	31 Dec 15 £'000	30 Jun 15 £'000
Amounts falling due within one year:		
Trade debtors	689	872
Amounts recoverable on contracts	938	660
Taxation	120	79
Other debtors	136	70
	<u>1,883</u>	<u>1,681</u>
Amounts falling due after one year:		
Trade debtors	191	157

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 Dec 15 £'000	30 Jun 15 £'000
Trade creditors	900	394
Social security and other taxes	171	204
Other creditors	21	109
Accruals and deferred income	415	521
Shareholder loans (see note 17)	300	300
	<u>1,807</u>	<u>1,528</u>

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD ENDED 31ST DECEMBER 2015

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 Dec 15 £'000	30 Jun 15 £'000
Shareholder loans (see note 17)	<u>275</u>	<u>275</u>

17. LOANS

An analysis of the maturity of loans is given below:

	31 Dec 15 £'000	30 Jun 15 £'000
Amounts repayable on demand:		
Secured, interest free shareholder loan	<u>300</u>	<u>300</u>
Amounts where the Company has the right to repay at any time:		
15% Unsecured shareholder loan	100	100
16% Unsecured shareholder loan	<u>175</u>	<u>175</u>
	<u>275</u>	<u>275</u>

The secured shareholder loan is secured via a fixed and floating charge over the assets of the Company. Interest is settled quarterly in arrears.

18. OBLIGATIONS UNDER OPERATING LEASES

Future minimum rentals payable under non-cancellable operating leases are as follows:

	Land & Buildings		Other	
	31 Dec 15 £'000	30 Jun 15 £'000	31 Dec 15 £'000	30 Jun 15 £'000
Leases expiring:				
Within one year	91	91	69	64
One to five years	<u>212</u>	<u>257</u>	<u>21</u>	<u>110</u>
	<u>303</u>	<u>348</u>	<u>161</u>	<u>174</u>

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD ENDED 31ST DECEMBER 2015

19. PROVISIONS FOR LIABILITIES

	Warranty provisions £'000	Contract provisions £'000	Total £'000
At 1 st July 2015	92	91	183
Arising in the period	30	61	91
Released unused provision	(4)	(61)	(65)
Utilised	(30)	(30)	(60)
At 31 st December 2015	<u>88</u>	<u>61</u>	<u>149</u>

Contracts and warranty provisions are reported where the Company believes it possible that costs could be incurred in the future from obligations existing at the balance sheet date.

20. CALLED UP SHARE CAPITAL

Authorised, allotted, issued, called up and fully paid:

Number:	Class:	Nominal value:	31 Dec 15 £'000	30 Jun 15 £'000
3,780,493 (2015 – 3,780,493)	Ordinary shares	12.5p	473	473
630,570 (2015 – 630,570)	Ordinary '1' shares	0.793p	5	5
0 (2015 – 1)	Special '1' share	12.5p	-	-
0 (2015 – 1)	Special '2' share	12.5p	-	-
877,876 (2015 – 0)	Ordinary '2' shares	0.00000014238p	-	-
117,920 (2015 – 0)	Ordinary '3' shares	0.00000106004p	-	-
12,350,000 (30 Jun 15 – 0)	Ordinary '4' shares	10.0p	<u>1,235</u>	<u>-</u>
			<u>1,713</u>	<u>478</u>

All shares all rank equally in terms of voting and dividend rights. However, on a return of capital on liquidation or capital reduction or otherwise, the surplus assets of the Company available for distribution among the members shall be distributed amongst the holders of the equity shares (pari passu as if such shares constituted one class of share) save that, in calculating such distribution each Special '1' share shall for such purposes be treated as if it constituted 877,876 Ordinary shares and each Special '2' share shall for such purposes be treated as if it constituted 117,920 Ordinary shares.

On 2 July 2015:

- The Company re-designated Special '1' 12.5p share as an Ordinary '2' share and subdivided the 1 share of 12.5p to 877,876 shares of 0.000014238p. This equalised the economic rights of the old Special '1' share to rank pari passu with Ordinary and Ordinary '1' shares;
- The Company re-designated Special '2' 12.5p share as Ordinary '3' share and subdivided the 1 share of 12.5p to 117,920 shares of 0.000106004p. This equalised the economic rights of the old Special '2' share to rank pari passu with Ordinary and Ordinary '1' shares; and
- The Company completed the subscription agreement of 12,350,000 Ordinary '4' 10p shares at par to be issued in two equal tranches. The first was subscribed on 2 July 2015. The second on 21 October 2015.

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD ENDED 31ST DECEMBER 2015

21. RESERVES

	Retained earnings £'000	Share premium £'000	Totals £'000
At 1st July 2015	(19,597)	21,968	2,371
Capital reduction	21,968	(21,968)	-
Deficit for the period	(566)	-	(566)
At 31st December 2015	<u>1,805</u>	<u>-</u>	<u>1,805</u>

Retained earnings represents distribution reserves within the Company.

The Share Premium account comprises the total net proceeds received over nominal value on the issue of the Company's equity share capital. On the 21st October 2015, the Company completed a capital reduction whereby £21,968k of share premium was reduced and transferred to distributable reserves.

22. RELATED PARTY DISCLOSURES

During the period, the Company entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and trading balances outstanding at 31st December 2015 with other related parties, are as follows:

Freelance Executives Limited

A company under the influence of Mr M Fellowes.

During the period the Company was charged management fees of £15k (June 2015 - £70k) by Freelance Executives Limited.

At 31st December 2015, the Company owed Freelance Executives Limited £3k (June 2015 - £4k).

ESB NovusModus LP - shareholder

ESB NovusModus LP hold a significant shareholder and have the authority to have a representative on the board of directors.

During the period the Company was charged monitoring fees of £5k (June 2015 - £10k) by ESB NovusModus LP. At 31st December 2015, £10k (June 2015 - £5k) was owed from the Company to ESB NovusModus LP in respect of trading balances.

During the period, the Company entered a loan agreement with ESB Novusmodus LP. The loan of £300k is interest free and repayable on demand. This loan is outstanding at 31st December 2015 (June 2015 - £300k).

Environmental Energies Fund LP

Environmental Energies Fund LP held a significant shareholder and had the authority to have a representative on the board of directors until 2nd July 2015.

During that period the Company was charged monitoring fees of £nil (June 2015 - £10k) by Environmental Energies Fund LP.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD ENDED 31ST DECEMBER 2015

22. RELATED PARTY DISCLOSURES - continued

Key management personnel

The directors consider there to be no key management personnel other than the directors themselves. Director's remuneration has been disclosed in note 4.

23. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements amounted to £260k (June 2015 – £19k).

24. POST BALANCE SHEET EVENTS

There are no post balance sheet events to report.

25. ULTIMATE CONTROLLING PARTY

On 2nd July 2015, the Company became a 92.6% subsidiary of ESB Novusmodus LP, part of the Electricity Supply Board group, incorporated in Ireland.

From 2nd July 2015, the Company's immediate parent undertaking and controlling party is ESB Novusmodus LP, a limited liability partnership, incorporated in the Republic of Ireland.

From 2nd July 2015, the Company's ultimate parent company is the Electricity Supply Board, incorporated in the Republic of Ireland. The consolidated financial statements of the Electricity Supply Board are available to the public and may be obtained from www.esb.ie or 27, Lower Fitzwilliam Street, Dublin 2, Ireland.

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD ENDED 31ST DECEMBER 2015

26. FIRST TIME ADOPTION OF FRS101

	<i>As previously stated 30 June 2015 £000</i>	<i>Effect of transition 30 June 2015 £000</i>	<i>FRS 101 (as restated) 30 June 2015 £000</i>
Turnover	5,724	-	5,724
Cost of sales	(4,731)	-	(4,731)
Gross profit	993	-	993
Administrative expenses	(3,003)	236	(2,767)
Operating profit	(2,010)	236	(1,774)
Interest payable and similar charges	(33)	-	(33)
Taxation	162	-	162
Profit on ordinary activities after taxation and for the financial year	(1,881)	236	(1,645)

Explanation of changes to previously reported profit and equity:

1. The previous period amortisation of goodwill has been reversed to the opening position of the comparative period. Goodwill will now be subject to annual impairment reviews and no longer amortised over a set period of time.

GEO THERMAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD ENDED 31ST DECEMBER 2015

	As previously stated 1 July 2014 £'000	Effect of transition 1 July 2014 £'000	FRS 101 (as restated) 1 July 2014 £'000	As previously stated 30 June 2015 £'000	Effect of transition 30 June 2015 £'000	FRS 101 (as restated) 30 June 2015 £'000
Fixed assets	2,605	-	2,605	2,400	236	2,636
Current assets	2,387	-	2,387	2,199	-	2,199
Creditors: amounts falling due within one year	(1,401)	-	(1,401)	(1,528)	-	(1,528)
Net current assets	986	-	986	671	-	671
Total assets less current liabilities	3,591	-	3,591	3,071	236	3,307
Creditors: amounts falling due after more than one year	(275)	-	(275)	(275)	-	(275)
Provisions for liabilities	(300)	-	(300)	(183)	-	(183)
Net assets	3,016	-	3,016	2,613	236	2,849
Capital and reserves	3,016	-	3,016	2,613	236	2,849

Explanation of changes to previously reported profit and equity:

1. The previous period amortisation of goodwill has been reversed to the opening position of the comparative period. Goodwill will now be subject to annual impairment reviews and no longer amortised over a set period of time.