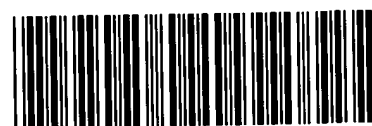


REGISTERED NUMBER: 05397984

GEOTHERMAL INTERNATIONAL LIMITED
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2015

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GEO THERMAL INTERNATIONAL LIMITED

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GEO THERMAL INTERNATIONAL LIMITED

COMPANY INFORMATION FOR THE YEAR ENDED 30TH JUNE 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 YEAR ENDED 30TH JUNE 2015

The directors present their strategic report for the group for the year ended 30th June 2015.

OBJECTIVES AND STRATEGY

The principal activities of the group, in the year 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 group 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 group reports a modest reduction in operating losses and a significant reduction in group turnover. The reduction in activity completed is led by the disposal of the loss making US business in November 2014.

Despite the sizeable growth of the group's US operations in the previous financial year, the business was unable to convert any substantial opportunities to maintain its level of activity after conclusion of a material contract around the end of the previous financial year. The resultant losses and absence of firm signs of improved performance led the directors to conclude that the group was best served to dispose of its interest.

The group has also closed its loss making Spanish operations in June 2015 to allow full focus on UK operations.

After many years of decline, the UK operation has seen stable activity levels. A significant improvement in the UK order book gives confidence that the constraints of the tough economic climate have eased and that the group strategy is starting to gain traction.

The directors monitor both financial and non financial key performance indicators on a monthly basis. The group's key financial performance indicators during the year were as follows:

	2015 £'000	2014 £'000	Change %
Group turnover – continuing operations	5,721	5,759	(0.7%)
Group EBITDA – continuing operations	(1,689)	(1,872)	9.7%
Equity shareholders' funds	2,579	3,207	(19.6%)
Turnover per employee – continuing operations	96	99	(3.0%)

GEOTHERMAL INTERNATIONAL LIMITED

STRATEGIC REPORT - continued FOR THE YEAR ENDED 30TH JUNE 2015

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

The continuing UK business has seen a stable turnover in the year. This is a solid result after a number of years of decline, where tough macro economic climate had given reduced levels of contracting opportunities within large infrastructure projects. A strong improvement in the UK order book gives confidence in our expectation of improving UK 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.

The group has experienced a significant reduction in overall turnover as a result of the disposal of its US business, whilst UK business turnover was stable in the year. The disposal was driven by the failure to secure any meaningful activity beyond the conclusion of a material contract which boosted the previous financial year turnover. The group expects more stable turnover trends in future years by eliminating its exposure to the volatile lumpy pipeline of its former US subsidiary.

Group EBITDA (from continuing operations) is seen as the key indicator of the group as it reports the group's ability to generate cash from operations. The current year improvement has been led by improved cost control in the continuing UK operation. As cost reduction actions have been undertaken during the year, the financial statements have yet to see the full benefit of these actions. 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 of the three previous financial years.

Equity shareholders' funds is used as a KPI to demonstrate the financial strength of the group. The current year reduction has been driven by the group's EBITDA loss offset by the introduction of new capital in September 2014. Our equity shareholders' funds were boosted by a further capital injection in July 2015.

Turnover per employee (continuing operations) is used as an indicator to measure the cost control of the group. The minor current year 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 group is now positioned to deliver improved financial results but are aware that the group must improve performance to remove reliance on securing new sources of finance.

PRINCIPLE RISKS AND UNCERTAINTIES

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

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

The group monitor the risks and uncertainties facing the group and will mitigate wherever possible.

GEO THERMAL INTERNATIONAL LIMITED

STRATEGIC REPORT - continued FOR THE YEAR ENDED 30TH JUNE 2015

The group 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 group 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 group against exposure to loss making contracts which could harm the financial stability.

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

The group 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 groups' customers are large corporations, the group believes that provides a high quality service to customers and maintaining good relations will protect the group 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 groups' 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 group's operations.

No trading in derivatives of financial instruments was undertaken during the year.

The rationalisation of the groups' overseas operations have reduced the main risks associated to the financial instruments to liquidity risk and credit risk.

Liquidity Risk

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

Credit Risk

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

ON BEHALF OF THE BOARD:



M Fellowes Director

Date: 21 October 2015

GEOTHERMAL INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30TH JUNE 2015

The directors present their report with the audited financial statements of the company and the group for the year ended 30th June 2015.

DIRECTORS

The directors who have held office during the period from 1st July 2014 to the date of this report are as follows:

B Gautier

M Fellowes

K Drage – resigned 28 February 2015

A Jones – resigned 31 October 2014

A Robison – resigned 2 July 2015

S Lawrie – appointed 23 September 2015

N Simpson – appointed 23 September 2015

G Walsh – appointed 23 September 2015

J Walsh – appointed 23 September 2015

During the year 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 consolidated loss for the year, after taxation and minority interests, is £2,242k (2014 – £2,714k loss).

The directors do not recommend the payment of a dividend (2014 – £nil).

RESEARCH & DEVELOPMENT

The directors' believe that innovation is key to a successful future. Although the group seeks to develop innovative solutions to its contracted activity, it does not specifically invest in research activity.

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.

GEOTHERMAL INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS - continued FOR THE YEAR ENDED 30TH JUNE 2015

As part of the global need to meet low carbon targets, the UK government remains committed 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 group. The increasing awareness of RHI in the market and the availability of finance should increase demand for the group's products and services.

The volatility of the group has reduced with the disposal of the US operation, where most of the pipeline was lumpy. As a result, there is less financial risk in the rationalised group. We are working to increase the breadth of our activity by investing in business development and marketing. We remain confident that the business is well placed to deliver growth and ultimately start to generate operating profits.

The group has raised additional investment after the balance sheet date to accommodate the continued growth of the group and shows the commitment of the company's investors to the group's strategy (details of this investment are reported in note 27, post balance sheet events).

GOING CONCERN

The directors are satisfied that the group has adequate resources to continue in operational existence for the foreseeable future. To reach this conclusion the directors have taken into account budgets prepared and the medium term strategic plan, which include current and anticipated contracts with reasonable judgement and estimates.

The group actively monitors its upcoming cash requirements and adopts downside sensitivities to assess the risk associated with its projected cash position. The group has secured additional equity investment after the balance sheet date (reported in the post balance sheet event note in the financial statements). For this reason, 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 law and regulations.

Company law requires the directors to prepare financial statements for each financial year. 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

GEOTHERMAL INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS - continued FOR THE YEAR ENDED 30TH JUNE 2015

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE GROUP'S AUDITOR

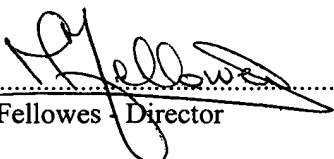
So far as the directors are aware at the date of approving this report, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditor is aware of that information.

AUDITOR

During the year, Ernst & Young LLP resigned as auditor and Moore Stephens LLP were appointed as auditors as their replacement.

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

ON BEHALF OF THE BOARD:


.....
M Fellowes - Director

Date: 21 October 2015

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS GEOTHERMAL INTERNATIONAL LIMITED

We have audited the financial statements of Geothermal International Limited for the year ended 30 June 2015 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 31. 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).

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 6 and 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Consolidated Financial Statements to identify material inconsistencies with the audited financial statements. 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 group's and of the parent company's affairs as at 30 June 2015 and of the group's loss for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF GEOTHERMAL INTERNATIONAL LIMITED - CONTINUED

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- ▶ adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ▶ the parent company financial statements are not in agreement with the accounting records and returns; 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)
Birmingham, UK
Date

22 October 2015.

GEOTHERMAL INTERNATIONAL LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2015

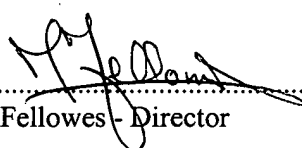
	Notes	2015 £'000	2014 £'000
Continuing operations		5,721	5,759
Discontinued operations		<u>1,495</u>	<u>12,859</u>
TURNOVER	2	7,216	18,618
Cost of sales		<u>(5,555)</u>	<u>(13,479)</u>
GROSS PROFIT		1,661	5,139
Administration expenses		(4,184)	(7,126)
Release of associate provision	5	-	27
Impairment of intangible assets	6	<u>(18)</u>	<u>(643)</u>
		(4,202)	(7,742)
Continuing operations		(1,935)	(2,123)
Discontinued operations		<u>(606)</u>	<u>(480)</u>
OPERATING LOSS	6	(2,541)	(2,603)
Profit on sale of discontinued operations	7	237	-
Interest payable and similar charges	8	<u>(46)</u>	<u>(44)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,350)	(2,647)
Tax on loss on ordinary activities	9	<u>162</u>	<u>5</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(2,188)	(2,642)
Minority interests		<u>(54)</u>	<u>(72)</u>
DEFICIT FOR THE FINANCIAL YEAR FOR THE GROUP		<u>(2,242)</u>	<u>(2,714)</u>
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES			
LOSS FOR THE FINANCIAL YEAR		(2,242)	(2,714)
Foreign currency translation		<u>16</u>	<u>(71)</u>
TOTAL GAINS AND LOSSES RECOGNISED SINCE THE LAST ANNUAL REPORT		<u>(2,226)</u>	<u>(2,785)</u>

The notes on pages 14 to 31 form part of these financial statements

**CONSOLIDATED BALANCE SHEET
30TH JUNE 2015**

	Notes	£'000	2015 £'000	2014 £'000
FIXED ASSETS				
Intangible assets	11		2,352	2,606
Tangible assets	12		49	102
Investments	13		-	23
			<u>2,401</u>	<u>2,731</u>
CURRENT ASSETS				
Stocks	14	133		184
Debtors :	15			
Amounts falling due within one year		1,738		3,030
Amounts falling due after one year		<u>157</u>		<u>158</u>
		1,895		3,188
Cash at bank		<u>233</u>		<u>1,080</u>
		2,261		4,452
CREDITORS				
Amounts falling due within one year	16	<u>1,625</u>		<u>3,175</u>
NET CURRENT ASSETS			<u>636</u>	<u>1,277</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,037	4,008
CREDITORS				
Amounts falling due after more than one year	17		275	275
Provisions for liabilities and charges	20		183	526
NET ASSETS			<u>2,579</u>	<u>3,207</u>
CAPITAL AND RESERVES				
Called up share capital	22		478	435
Share premium	23		21,968	20,533
Profit and loss account	23		<u>(19,867)</u>	<u>(17,641)</u>
			2,579	3,327
Minority interests	21		-	<u>(120)</u>
SHAREHOLDERS' FUNDS	24		<u>2,579</u>	<u>3,207</u>

The financial statements were approved by the Board of Directors on 21 October 2015 and were signed on its behalf by:



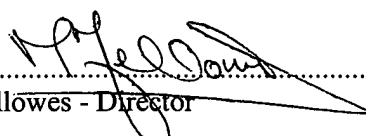
 M Fellowes - Director

The notes on pages 14 to 31 form part of these financial statements

COMPANY BALANCE SHEET
30TH JUNE 2015

	Notes	£'000	2015 £'000	2014 £'000
FIXED ASSETS				
Intangible assets	11		2,352	2,588
Tangible assets	12		48	17
Investments	13		-	-
			<u>2,400</u>	<u>2,605</u>
CURRENT ASSETS				
Stocks	14	133		160
Debtors :	15			
Amounts falling due within one year		1,681	1,597	
Amounts falling due after one year		<u>157</u>	<u>158</u>	
		1,838	1,755	
Cash at bank		<u>228</u>	<u>472</u>	
		2,199	2,387	
CREDITORS				
Amounts falling due within one year	16	<u>1,528</u>	<u>1,401</u>	
NET CURRENT ASSETS			<u>671</u>	<u>986</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,071	3,591
CREDITORS				
Amounts falling due after more than one year	17		275	275
Provisions for liabilities and charges	20		<u>183</u>	<u>300</u>
NET ASSETS			<u>2,613</u>	<u>3,016</u>
CAPITAL AND RESERVES				
Called up share capital	22		478	435
Share premium	23		21,968	20,533
Profit and loss account	23		<u>(19,833)</u>	<u>(17,952)</u>
SHAREHOLDERS' FUNDS	24		<u>2,613</u>	<u>3,016</u>

The financial statements were approved by the Board of Directors on 21 October 2015 and were signed on its behalf by:



 M Fellowes - Director

The notes on pages 14 to 31 form part of these financial statements

GEOTHERMAL INTERNATIONAL LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 2015

	Notes	2015 £'000	2014 £'000
Net cash outflow from operating activities	29	(2,275)	(1,556)
Returns on investments and servicing of finance	30	(35)	(40)
Taxation received / (paid)		83	-
Capital expenditure	30	(39)	6
Acquisitions and disposals	30	<u>(354)</u>	<u>-</u>
		(2,620)	(1,590)
Financing	30	<u>1,778</u>	<u>(1)</u>
(Decrease) in cash in the period		<u>(842)</u>	<u>(1,591)</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	31		
(Decrease) in cash in the period		(842)	(1,591)
Cash (inflow) / outflow from increase in debt and lease financing		<u>(300)</u>	<u>1</u>
Change in net debt resulting from cash flows		(1,142)	(1,590)
Changes in net debt from non cash flows		-	-
Exchange movement		<u>(5)</u>	<u>(30)</u>
Movement in net debt in the period		(1,147)	(1,620)
Net debt at 1st July 2014		<u>805</u>	<u>2,425</u>
Net debt at 30th June 2015		<u>(342)</u>	<u>805</u>

The notes on pages 14 to 31 form part of these financial statements

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2015

1. ACCOUNTING POLICIES

Accounting convention

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies.

Acquisitions are accounted for under the acquisition method. The results of the companies acquired or disposed of are included in the profit and loss account after, or up to the date that control passes.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group accounts by virtue of section 408 of the Companies Act 2006.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

In respect of long term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long term contracts and contracts for on-going services is recognised by reference to the value of work carried out to date. 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.

Research and Development

Research and development expenditure is charged against profit as it is incurred.

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.

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:	- 30% per annum on cost
Plant and machinery: Works plant and machinery	- 33.33% per annum on cost
Drilling rigs	- 20% per annum on cost

Intangible assets

Intangible assets comprise goodwill, trademarks and development costs.

Amortisation of goodwill is provided from the date of acquisition so as to write off the asset, on a straight line basis over the term of its useful life. The directors have assessed the useful economic life of the group's goodwill as being between 10 and 20 years.

Trademarks and development costs were previously shown at cost less provision for any permanent diminution in value. Such items are now expensed as incurred.

GEOHERMAL INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30TH JUNE 2015

1. ACCOUNTING POLICIES - continued

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.

Investments

Investments are stated at cost less provision for any permanent diminution in value.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Results of overseas subsidiaries are translated at the average rate for the year. Assets and liabilities of overseas subsidiaries are translated at the ruling rate at the balance sheet date. Exchange differences are dealt with through reserves.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter. The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Provisions

Provisions are made for future costs when, in the opinion of the directors, a future transfer of economic benefit will arise as a result of a past action or event. Provisions are not discounted.

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.

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30TH JUNE 2015

2. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2015 £'000	2014 £'000
United Kingdom	5,714	5,608
North America	1,033	12,702
Rest of World	469	308
	<u>7,216</u>	<u>18,618</u>

3. STAFF COSTS

The aggregate payroll costs, including directors' emoluments:	2015 £'000	2014 £'000
Wages and salaries	3,502	5,208
Social security costs	296	354
Employer pension costs	15	-
	<u>3,813</u>	<u>5,562</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 group in an independently administered fund. There were unpaid contributions outstanding at the 30 June 2015 of £3k (2014 – nil).

The average number of staff employed by the group during the financial year was:	2015 No.	2014 No.
Number of production staff	24	24
Number of administrative staff	49	65
	<u>73</u>	<u>89</u>

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

	2015 £'000	2014 £'000
Aggregate remuneration in respect of qualifying services	<u>263</u>	<u>420</u>

Emoluments earned by the highest paid director in the year amounted to £109k (2014 - £184k), including contributions of £nil (2014 – £nil) to money purchase pension schemes.

GEOHERMAL INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30TH JUNE 2015

3. STAFF COSTS - continued

Retirement benefits are accruing to two directors (2014 – nil) under defined contribution pension schemes.

No director's exercised share options in the year (2014 – nil).

The company paid £51k (2014 – nil) as compensation for loss of office in respect of two directors. This is 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.

4. SHARE-BASED PAYMENTS

The company has a share option scheme for certain employees. Although the scheme was approved under HMRC EMI scheme rules throughout the year, changes in the ownership structure of the company on 2 July 2015 disqualified the scheme's EMI status.

In the year ended 30 June 2015, no share options were granted or exercised in the year. During the year 42,923 share options were forfeited and 99,050 share options lapsed.

There were 183,948 share options outstanding at the end of the year (30 June 2014 – 363,846) and 30 scheme members (2014 – 51).

Options are exercisable at differing prices. 75,848 options have an exercise price of £0.125 per share, 104,400 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 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.

5. RELEASE OF ASSOCIATE PROVISION

During the year ended 30 June 2014, the directors determined that the group no longer exercised significant influence over two entities where it owns 40% and 20% of the voting shares respectively. This decision was taken due to a diminishment of influence the group has over the operating and financial policies of the two entities during the year ended 30 June 2014.

The group has reclassified these investments as other investments during the year ended 30 June 2014. These investments have no value to the group and as such, their share of net liabilities included at the 30 June 2013 (£27k), were released to Profit & Loss in that year.

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30TH JUNE 2015

6. OPERATING LOSS

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

	2015 £'000	2014 £'000
Depreciation – owned assets	34	73
(Profit) on sale of tangible fixed assets	(11)	(17)
Goodwill amortisation	236	329
Operating lease rentals – land & buildings	196	356
Operating lease rentals – other	54	9
Auditor remuneration for audit services	17	51
Auditor remuneration for non audit services	1	-
Foreign exchange differences	2	(17)
Research & development expenditure	<u>300</u>	<u>296</u>

Exceptional administration items recognised in arriving at operating loss:

Impairment of intangible assets relating to GI Endurant LLC	<u>18</u>	<u>643</u>
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7. EXCEPTIONAL ITEMS

	2015 £'000	2014 £'000
Profit on sale of majority stake of subsidiary GI Endurant LLC	(267)	-
Closure cost provision of Geothermal International Espana	<u>30</u>	<u>-</u>
	<u>(237)</u>	<u>-</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £'000	2014 £'000
Interest payable	43	40
Net bank interest payable	<u>3</u>	<u>4</u>
	<u>46</u>	<u>44</u>

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30TH JUNE 2015

9. TAXATION

Analysis of the tax credit

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

	2015 £'000	2014 £'000
Current year credit	-	-
Previous years payable tax claim credit	(162)	-
Over provision in prior year	-	(5)
Tax on loss on ordinary activities	<u>(162)</u>	<u>(5)</u>

Factors affecting the tax charge

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

	2015 £'000	2014 £'000
Loss on ordinary activities before tax	<u>(2,350)</u>	<u>(2,647)</u>
Loss on ordinary activities multiplied by the standard rate of Corporation Tax in the UK of 20.75% (2014 – 22.5%)	(488)	(596)
Effects of:		
Expenses not deductible for tax purposes – UK	4	157
Expenses not deductible for tax purposes – US	-	79
Consolidation adjustments not chargeable to tax	(66)	-
Depreciation in excess of capital allowances	29	40
Unrelieved tax losses – UK	394	486
Unrelieved / (utilised) tax losses – US	<u>127</u>	<u>(166)</u>
Current year tax credit	<u>-</u>	<u>-</u>

At 30 June 2015, there are unrecognised deferred tax assets related to UK tax losses recoverable (calculated at 20%) of £2,745k (2014 - £2,438k) and related to US tax losses recoverable (calculated at 20%) of £nil (2014 - £175k). There is also depreciation charged in excess of capital allowances of £39k (2014 - £56k). These amounts will only be recognised in the future 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 £139k (2014 - £133k, split UK - £124k, US - £9k).

10. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year, after provision for group related assets of £76k (2014 - £3,807k), was £1,881k (2014 - £6,012k).

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30TH JUNE 2015

11. INTANGIBLE FIXED ASSETS

Group

	Goodwill £'000	Trademarks £'000	Totals £'000
COST			
At 1st July 2014	5,765	83	5,848
Disposal of subsidiary undertaking	(18)	-	(18)
Eliminated on Disposal	(964)	(83)	(1,047)
At 30th June 2015	<u>4,783</u>	<u>-</u>	<u>4,783</u>
AMORTISATION			
At 1st July 2014	3,159	83	3,242
Amortisation for year	236	-	236
Impairment	18	-	18
Disposal of subsidiary undertaking	(18)	-	(18)
Eliminated on Disposal	(964)	(83)	(1,047)
At 30th June 2015	<u>2,431</u>	<u>-</u>	<u>2,431</u>
NET BOOK VALUE			
At 30th June 2015	<u>2,352</u>	<u>-</u>	<u>2,352</u>
At 30th June 2014	<u>2,606</u>	<u>-</u>	<u>2,606</u>

Company

	Goodwill £'000
COST	
At 1st July 2014 and 30th June 2015	<u>4,708</u>
AMORTISATION	
At 1st July 2014	2,120
Amortisation for year	<u>236</u>
At 30th June 2015	<u>2,356</u>
NET BOOK VALUE	
At 30th June 2015	<u>2,352</u>
At 30th June 2014	<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.

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30TH JUNE 2015

12. TANGIBLE FIXED ASSETS

Group	Motor Vehicles £'000	Plant and Machinery £'000	Totals £'000
COST			
At 1st July 2014	293	1,431	1,724
Additions	3	56	59
Disposals	(98)	(111)	(209)
Disposal of subsidiary undertaking	-	(294)	(294)
Exchange adjustment	(1)	17	16
At 30th June 2015	<u>197</u>	<u>1,099</u>	<u>1,296</u>
DEPRECIATION			
At 1st July 2014	290	1,332	1,622
Charge for year	2	32	34
Eliminated on disposal	(98)	(102)	(200)
Disposal of subsidiary undertaking	-	(219)	(219)
Exchange adjustment	(1)	11	10
At 30th June 2015	<u>193</u>	<u>1,054</u>	<u>1,247</u>
NET BOOK VALUE			
At 30th June 2015	<u>4</u>	<u>45</u>	<u>49</u>
At 30th June 2014	<u>3</u>	<u>99</u>	<u>102</u>
Company	Motor Vehicles £'000	Plant and Machinery £'000	Totals £'000
COST			
At 1st July 2014	283	1,113	1,396
Additions	3	49	52
Disposals	(98)	(94)	(192)
At 30th June 2015	<u>188</u>	<u>1,068</u>	<u>1,256</u>
DEPRECIATION			
At 1st July 2014	283	1,096	1,379
Charge for year	-	21	21
Eliminated on disposal	(98)	(94)	(192)
At 30th June 2015	<u>185</u>	<u>1,023</u>	<u>1,208</u>
NET BOOK VALUE			
At 30th June 2015	<u>3</u>	<u>45</u>	<u>48</u>
At 30th June 2014	<u>-</u>	<u>17</u>	<u>17</u>

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30TH JUNE 2015

13. INVESTMENTS

Group	Other Investments £'000
COST	
At 1st July 2014	45
Disposal of subsidiary undertaking	(25)
Holding retained in subsidiary undertaking	274
Exchange adjustment	<u>2</u>
At 30th June 2015	<u>296</u>
PROVISIONS	
At 1st July 2014	22
Holding retained in subsidiary undertaking	<u>274</u>
At 30th June 2015	<u>296</u>
NET BOOK VALUE	
At 30th June 2015	<u><u>-</u></u>
At 30th June 2014	<u><u>23</u></u>

Company	Shares in Group Undertakings £'000	Other Investments £'000	Total £'000
COST			
At 1st July 2014 (restated)	351	22	373
Additions	-	-	-
Dissolved	<u>-</u>	<u>-</u>	<u>-</u>
At 30th June 2015	<u>351</u>	<u>22</u>	<u>373</u>
PROVISIONS			
At 1st July 2014 (restated)	351	22	373
Eliminated on dissolution	-	-	-
Provisions	<u>-</u>	<u>-</u>	<u>-</u>
At 30th June 2015	<u>351</u>	<u>22</u>	<u>373</u>
NET BOOK VALUE			
At 30th June 2015	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
At 30th June 2014	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30TH JUNE 2015

13. INVESTMENTS - continued

The group holds the following investments:

Investments are held by the parent 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 Hrvatski d.o.o. (Croatia)	Dormant	10% Ordinary
*GI Endurant LLC (USA)	Trading	3.7% Economic
*American Geo Energy LLC (USA)	Dormant	3.7% Economic
*Endurant Energy Systems LLC (USA)	Dormant	3.7% Economic
*Endurant Energy Construction Services LLC (USA)	Dormant	3.7% Economic

On 7 November 2014, the group completed the sale of GI Endurant LLC. The group disposed of 90% of the 76% economic rights held in GI Endurant LLC. The disposal is analysed as follows:

Net assets disposed of:

£'000	
Fixed assets	100
Stocks	31
Debtors	637
Bank & cash	372
Creditors	(1,323)
Provisions	(145)
	(328)
Minority interest share	79
Profit on disposal	267
	18
Satisfied by:	
	£'000
Cash	18

The loss attributable to members of the parent company includes losses of £464k incurred by GI Endurant LLC up to its date of disposal on 7 November 2014 (excluding group loan debt waived at sale).

During the year, GI Endurant LLC utilised £231k of the group's net operating cash flows, paid £3k in respect of servicing of finance, and utilised £7k for capital expenditure and financial investment.

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30TH JUNE 2015

14. STOCKS

	2015	Group	2015	Company
	£'000	2014	£'000	2014
		£'000		£'000
Stock	42	120	42	120
Net costs on contract less foreseeable losses	91	64	91	40
	<u>133</u>	<u>184</u>	<u>133</u>	<u>160</u>

15. DEBTORS

	2015	Group	2015	Company
	£'000	2014	£'000	2014
		£'000		£'000
Amounts falling due within one year:				
Trade debtors	928	1,341	872	414
Amounts recoverable on contracts	660	1,104	660	1,104
Taxation	79	-	79	-
Other debtors	71	585	70	79
	<u>1,738</u>	<u>3,030</u>	<u>1,681</u>	<u>1,597</u>
Amounts falling due after one year:				
Trade debtors	157	158	157	158

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	Group	2015	Company
	£'000	2014	£'000	2014
		£'000		£'000
Payments on account	-	27	-	27
Trade creditors	436	1,121	394	335
Social security and other taxes	208	189	204	180
Other creditors	160	1,102	109	213
Accruals and deferred income	521	736	521	646
Shareholder loans (see note 18)	300	-	300	-
	<u>1,625</u>	<u>3,175</u>	<u>1,528</u>	<u>1,401</u>

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30TH JUNE 2015

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

	2015 £'000	Group 2014 £'000	2015 £'000	Company 2014 £'000
Shareholder loans (see note 18)	<u>275</u>	<u>275</u>	<u>275</u>	<u>275</u>

18. LOANS

An analysis of the maturity of loans is given below:

	2015 £'000	Group 2014 £'000	2015 £'000	Company 2014 £'000
Amounts repayable on demand:				
Secured, interest free shareholder loan	<u>300</u>	<u>-</u>	<u>300</u>	<u>-</u>
Amounts with no fixed repayment date:				
15% Unsecured shareholder loan	100	100	100	100
16% Unsecured shareholder loan	<u>175</u>	<u>175</u>	<u>175</u>	<u>175</u>
	<u>275</u>	<u>275</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.

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30TH JUNE 2015

19. OBLIGATIONS UNDER OPERATING LEASES

Annual commitments under non-cancellable operating leases are as follows:

Land & Buildings	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Leases expiring:				
Within one year	-	46	-	26
One to five years	91	235	91	105
	<u>91</u>	<u>281</u>	<u>91</u>	<u>131</u>
Other	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Leases expiring:				
Within one year	1	5	1	5
One to five years	63	67	63	23
	<u>64</u>	<u>72</u>	<u>64</u>	<u>28</u>

20. PROVISIONS FOR LIABILITIES

Group	Warranty provisions £'000	Contract provisions £'000	Legal provisions £'000	Total £'000
At 1st July 2014	210	181	135	526
Arising in the year	92	-	-	92
Disposal of subsidiary undertaking	(91)	-	(145)	(236)
Released unused provision	-	(90)	-	(90)
Utilised	(119)	-	-	(119)
Exchange adjustment	-	-	10	10
At 30th June 2015	<u>92</u>	<u>91</u>	<u>-</u>	<u>183</u>
Company	Warranty provisions £'000	Contract provisions £'000	Legal provisions £'000	Total £'000
At 1st July 2014	119	181	-	300
Arising in the year	92	-	-	92
Released unused provision	-	(90)	-	(90)
Utilised	(119)	-	-	(119)
At 30th June 2015	<u>92</u>	<u>91</u>	<u>-</u>	<u>183</u>

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30TH JUNE 2015

20. PROVISIONS FOR LIABILITIES - continued

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

Legal provisions are reported where the Group considers it possible that a transfer of future economic benefit may result from claims existing at the balance sheet date.

21. MINORITY INTERESTS

Up to the date of its disposal, the capital of GI Endurant LLC included 4,900 class A units and 2,526 class B units which are not owned by the group. Class A units represent the voting interests in the company and class B units represent the distribution and economic rights in the company. The 2,526 class B shares represent a 24% minority interest holding.

Movement within amounts attributable to minority interests:

	£'000
Minority interest brought forward	(120)
Share of profits for the period	54
Foreign currency retranslation	(13)
Disposal of subsidiary undertaking	79
Minority interest carried forward	-

22. CALLED UP SHARE CAPITAL

Allotted, issued, called up and fully paid:

Number:	Class:	Nominal value:	2015 £'000	2014 £'000
630,570 (2014 – 630,570)	Ordinary '1' shares	0.793p	5	5
1 (2014 – 1)	Special '1' share	12.5p	-	-
1 (2014 – 0)	Special '2' share	12.5p	-	-
3,780,493 (2014 – 3,439,140)	Ordinary shares	12.5p	473	430
			478	435

Ordinary '1' shares, Special '1' shares, Special '2' shares and Ordinary 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.

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30TH JUNE 2015

23. RESERVES

Group	Profit and loss account £'000	Share premium £'000	Totals £'000
At 1st July 2014	(17,641)	20,533	2,892
Equity share issue	-	1,435	1,435
Deficit for the year	(2,242)	-	(2,242)
Foreign currency retranslation	16	-	16
At 30th June 2015 – before Minority interests	<u>(19,867)</u>	<u>21,968</u>	<u>2,101</u>
Minority interests			-
At 30th June 2015 – after Minority interests			<u>2,101</u>
Company	Profit and loss account £'000	Share premium £'000	Totals £'000
At 1st July 2014	(17,952)	20,533	2,581
Equity share issue	-	1,435	1,435
Deficit for the year	<u>(1,881)</u>	<u>-</u>	<u>(1,881)</u>
At 30th June 2015	<u>(19,833)</u>	<u>21,968</u>	<u>2,135</u>

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	2015 £'000	2014 £'000
Loss for the financial year	(2,242)	(2,714)
Equity share issue	1,478	-
Foreign currency retranslation	16	(71)
Net (decrease) / increase in shareholders' funds	(748)	(2,785)
Opening shareholders' funds	<u>3,327</u>	<u>6,112</u>
Closing shareholders' funds – before Minority interests	2,579	3,327
Minority interests	<u>-</u>	<u>(120)</u>
Closing shareholders' funds – after Minority interests	<u>2,579</u>	<u>3,207</u>

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30TH JUNE 2015

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued

Company	2015 £'000	2014 £'000
Loss for the financial year	(1,881)	(6,012)
Equity share issue	<u>1,478</u>	<u>1,478</u>
Net (decrease) / increase in shareholders' funds	(403)	(6,012)
Opening shareholders' funds	<u>3,016</u>	<u>9,028</u>
Closing shareholders' funds	<u>2,613</u>	<u>3,016</u>

25. RELATED PARTY DISCLOSURES

The group does not disclose any transactions or balances between group entities that have been eliminated upon consolidation. The group had the following related party transactions and balances:

Freelance Executives Limited

A company under the influence of Mr M Fellowes.

During the year the company was charged management fees of £70k (2014 - £184k) by Freelance Executives Limited.

At 30 June 2015, the company owed Freelance Executives Limited £4k (2014 – £19k).

Environmental Energies Fund LP

Environmental Energies Fund LP hold a significant shareholder and have the authority to have a representative on the board of directors.

During the year the company was charged monitoring fees of £10k (2014 - £10k) by Environmental Energies Fund LP.

At 30 June 2015, £6k (2014 – £3k) was owed from the company to Environmental Energies Fund LP.

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 year the company was charged monitoring fees of £10k (2014 - £12k) by ESB NovusModus LP. At 30 June 2015, £5k (2014 - £24k) was owed from the company to ESB NovusModus LP in respect of trading balances.

During the year, 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 30 June 2015. (2014 – nil).

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30TH JUNE 2015

26. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements amounted to £19k (2014 – nil) for the group and £19k (2014 – nil) for the company.

27. POST BALANCE SHEET EVENTS

The group completed an equity rights issue in July 2015, which raised capital investment of £1,235k. This rights issue reflected issuing 6,174,998 Ordinary 4 10p shares at par and the commitment from shareholders to subscribe for an additional 6,175,002 Ordinary 4 10p shares at par at the call of the Company (but not later than 15 June 2016).

There are no other post balance sheet events to report.

28. ULTIMATE CONTROLLING PARTY

At the balance sheet date, the company has no ultimate controlling party.

On the 2 July 2015, the company became a 92.6% subsidiary of ESB Novusmodus LP, part of the Electricity Supply Board group, incorporated in Ireland. From that date, the ultimate parent company of the company was the Electricity Supply Board. The consolidated financial statements of this group are available to the public and may be obtained from www.esb.ie or 27 Fitzwilliam Street, Dublin 2, Ireland.

29. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2015 £'000	2014 £'000
Operating loss	(2,541)	(2,603)
Depreciation charges	34	73
(Profit) on disposal of fixed assets	(11)	(17)
Amortisation charge	236	329
Impairment of intangible fixed assets	18	643
Release of associate provision	-	(27)
Decrease / (increase) in stocks	20	353
Decrease / (increase) in debtors	735	859
(Decrease) / increase in creditors	(766)	(1,166)
Net cash outflow from operating activities	(2,275)	(1,556)

GEOTHERMAL INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30TH JUNE 2015

30. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015 £'000	2014 £'000
Returns on investments and servicing of finance		
Interest received	-	2
Interest paid	(35)	(42)
Net cash outflow for returns on investments and servicing of finance	<u>(35)</u>	<u>(40)</u>
Capital expenditure		
Purchase of tangible fixed assets	(59)	(30)
Sale of tangible fixed assets	20	36
Net cash inflow / (outflow) for capital expenditure	<u>(39)</u>	<u>6</u>
Acquisitions and disposals		
Sale of subsidiary undertaking	18	-
Net cash disposed of with subsidiary undertaking	(372)	-
Net cash outflow for acquisitions and disposals	<u>(354)</u>	<u>-</u>
Financing		
New shareholder loan	300	-
New share issue	1,478	-
Capital element of hire purchase payment	-	(1)
Net cash (outflow) / inflow from financing	<u>1,778</u>	<u>(1)</u>

31. ANALYSIS OF CHANGES IN NET DEBT

	At 1.7.14 £'000	Cash flow £'000	Exchange movement £'000	Other non-cash changes £'000	At 30.6.15 £'000
Net cash:					
Cash at bank	1,080	(842)	(5)	-	233
Debt:					
Debts falling due within one year	-	(300)	-	-	(300)
Debts falling due after one year	(275)	-	-	-	(275)
	(275)	(300)	-	-	(575)
Total	<u>805</u>	<u>(1,142)</u>	<u>(5)</u>	<u>-</u>	<u>(342)</u>