

GEMINI ENERGY LIMITED
ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

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GEMINI ENERGY LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2015

The Directors present their Strategic Report of the Group and Gemini Energy Limited ("the Company") for the year ended 30 June 2015.

BUSINESS REVIEW

Focus remained on the construction and commissioning of the Beckton CHP facility whilst also preparing for the eventual operation, maintenance and contract management associated with the facility.

Arrangements to secure supplies of bio-liquid to use in the facility were agreed in the year.

Although there have been some delays to the commissioning of the Beckton CHP facility, electricity generation commenced in the year and ROC accreditation of the Beckton CHP facility was achieved in March 2015.

RESULTS AND DIVIDENDS

The loss for the group for the year / period after taxation was £52,000 (2014: £272,000).

The Directors do not recommend the payment of a dividend.

FINANCIAL POSITION

The financial position of the Group is presented in the consolidated balance sheet on page 9 of the Directors' Report and Financial Statements. Total shareholders' funds at 30 June 2015 were £17,591,000 (2014: £17,465,000), comprising fixed assets of £77,375,000 (2014: £57,823,000), net current assets of £7,350,000 (2014: £3,112,000) and long term liabilities of £67,134,000 (2014: £43,470,000).

The financial position of the Company is presented in the balance sheet on page 10 of the Directors' Report and Financial Statements. Total shareholders' funds at 30 June 2015 were £7,020,000 (2014: £6,847,000), comprising fixed assets of £7,040,000 (2014: £6,862,000), net current assets of £15,566,000 (2014 £8,891,000) and long term liabilities of £15,586,000 (2014: £8,906,000).

KEY PERFORMANCE INDICATORS

During the construction period performance is largely monitored by the Board on a monthly basis in the following ways;

- Construction progress compared to baseline / revised programme
- Capital expenditure incurred compared to budgeted spend
- Capital expenditure forecast compared to completion budget
- Meeting of contractual obligations compared to target dates set
- Sources and uses of cash compared to the financial plan
- Health and safety incident reporting

GEMINI ENERGY LIMITED
STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2015

KEY PERFORMANCE INDICATORS (CONTINUED)

The Company's directors believe that analysis using KPIs for the Group is not necessary or appropriate for an understanding of the development, performance or position of the business of the Group whilst in the construction phase.

PRINCIPAL RISKS AND UNCERTAINTIES

The key business risks and uncertainties affecting the Company relate to the Company's investment in Beckton Energy Limited. The key business risks of Beckton Energy Limited are considered to be the design and construction of the Beckton CHP facility, including the key interfaces between the various stakeholders involved in the project along with the regulatory impact of changes to renewable energy incentives and thus the Company's future revenue streams.

The Company is aware of these risks and the impact they could have from both a health and safety and a financial perspective and has systems and procedures in place to help identify, monitor and mitigate these risks on a frequent basis.

ON BEHALF OF THE BOARD



P Reinheimer-Jones
Director
27 April 2016

REGISTERED OFFICE

One Glass Wharf
Bristol
BS2 0ZX

Registered in England and Wales
Number 08384635

GEMINI ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

The Directors present their report and the audited financial statements of the Group and Gemini Energy Limited ("the Company") for the year ended 30 June 2015.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activity of its wholly owned subsidiary, Beckton Energy Limited, is the construction and operation of assets to generate renewable electricity (capacity 17MWs) and heat near the Beckton gas pressure reduction station in East London (known as "the Beckton CHP facility").

RESULTS AND DIVIDENDS

See disclosure within the Strategic Report on page 1.

DIRECTORS

The Directors of the Company during the year and up to the date of signing the financial statements were:

P R Malan (Resigned 5 June 2015)
E Moran
G J Eade
P Reinheimer-Jones
V Piscaer

FUTURE DEVELOPMENTS

The company will remain a holding company for the investment in Beckton Energy Limited. Beckton Energy Limited remains committed to the full commissioning of the Beckton CHP facility in addition to the operation, maintenance and contract management associated with the operational plant.

LIQUIDITY RISK

During the design and construction period, liquidity risk is deemed minimal. During operations, the Group will maintain cash balances so as to ensure the Group has sufficient available funds for operations.

FINANCIAL RISK MANAGEMENT

The Group's contracting structure exposes it to limited financial risks that include liquidity risk. The Directors of the Group review these risks and set appropriate policies to help mitigate them.

GEMINI ENERGY LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 30 JUNE 2015

DIRECTORS' INDEMNITIES AND INSURANCE

The Company maintains a directors' and officers' liability insurance policy which covers the directors in their capacity as directors of the Company and Beckton Energy Limited.

POST BALANCE SHEET EVENTS

Focus has remained on the final commissioning of the Beckton CHP facility, although this has been delayed due to a number of equipment issues which has prevented final take-over of the facility. Liquidated damages of £7.6 million have been received as a result of calling on the performance bond put in place by the main contractor. In the meantime, the CHP facility is generating electricity in-between maintenance and remedial work activities. Notifications of contractual claims totalling circa. £29 million has been received from the main contractor, for additional capital cost variations to the contract. An amount has been accrued at 30 June 2015 within accruals and deferred income for any legitimate costs incurred by the year-end, based on the assessment of the directors and advice received from legal experts, but the amount is not individually material.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the group and company 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 Group and the Company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

GEMINI ENERGY LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 30 JUNE 2015

DISCLOSURE OF INFORMATION TO AUDITORS

- (a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD



P Reinheimer-Jones
Director
27 April 2016

REGISTERED OFFICE

One Glass Wharf
Bristol
BS2 0ZX

Registered in England and Wales
Number 08384635

GEMINI ENERGY LIMITED
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF GEMINI ENERGY LIMITED

Report on the financial statements

Our opinion

In our opinion, Gemini Energy Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2015 and of the group's loss and cash flows 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.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the consolidated and company balance sheets as at 30 June 2015;
- the consolidated profit and loss account for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, and applicable law (United Kingdom Generally Accepted Accounting Practice).

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

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

GEMINI ENERGY LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GEMINI ENERGY LIMITED

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

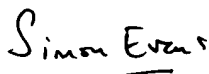
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



Simon Evans (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
27 April 2016

GEMINI ENERGY LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Year ended 2015 £'000	Period ended 2014 £'000
Administrative expenses	3	(17)	(17)
Other operating charges	4	(82)	-
Operating loss	3	<u>(99)</u>	<u>(17)</u>
Interest receivable and similar income	5	11	6
Loss on ordinary activities before taxation		<u>(88)</u>	<u>(11)</u>
Tax on loss on ordinary activities	7	36	(261)
Loss for the financial year / period	16	<u><u>(52)</u></u>	<u><u>(272)</u></u>

The results reported above relate to continuing activities.

The Group has no recognised gains and losses other than the loss for the financial year / period stated above and therefore no separate statement of total recognised gains and losses has been presented.

There are no material differences between the loss on ordinary activities before and after taxation for the financial year / period stated above and their historical cost equivalent.

GEMINI ENERGY LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Tangible assets	8	<u>77,375</u>	<u>57,823</u>
		<u>77,375</u>	<u>57,823</u>
Current assets			
Stocks	10	171	-
Debtors: amounts falling due within one year	11	3,645	3,593
Debtors: amounts falling due after more than one year	12	2,403	2,367
Cash at bank and in hand		<u>5,609</u>	<u>267</u>
		<u>11,828</u>	<u>6,227</u>
Creditors: amounts falling due within one year	13	<u>(4,478)</u>	<u>(3,115)</u>
Net current assets		<u>7,350</u>	<u>3,112</u>
Total assets less current liabilities		84,725	60,935
Creditors: amounts falling due after more than one year	14	<u>(67,134)</u>	<u>(43,470)</u>
Net assets		<u><u>17,591</u></u>	<u><u>17,465</u></u>
Capital and reserves			
Called up share capital	15	7,040	6,862
Profit and loss account	16	<u>10,551</u>	<u>10,603</u>
Total shareholders' funds	17	<u><u>17,591</u></u>	<u><u>17,465</u></u>

The financial statements on pages 8 to 30 were approved by the Board of Directors on 27 April 2016 and signed on its behalf by:

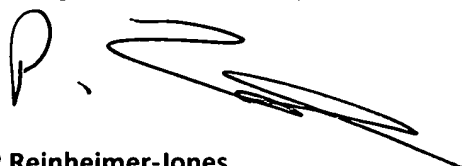


P Reinheimer-Jones
Director

GEMINI ENERGY LIMITED
COMPANY BALANCE SHEET
AS AT 30 JUNE 2015

	Notes	2015 £'000	2014 £'000
Fixed assets			
Investments	9	<u>7,040</u>	<u>6,862</u>
		<u>7,040</u>	<u>6,862</u>
Current assets			
Debtors: amounts falling due within one year	11	561	-
Debtors: amounts falling due after more than one year	12	15,591	8,908
Cash at bank and in hand		<u>25</u>	<u>-</u>
		<u>16,177</u>	<u>8,908</u>
Creditors: amounts falling due within one year	13	<u>(611)</u>	<u>(17)</u>
Net current assets		<u>15,566</u>	<u>8,891</u>
Total assets less current liabilities		<u>22,606</u>	<u>15,753</u>
Creditors: amounts falling due after more than one year	14	<u>(15,586)</u>	<u>(8,906)</u>
Net assets		<u><u>7,020</u></u>	<u><u>6,847</u></u>
Capital and reserves			
Called up share capital	15	7,040	6,862
Profit and loss account	16	(20)	(15)
Total shareholders' funds	17	<u><u>7,020</u></u>	<u><u>6,847</u></u>

The financial statements on pages 8 to 30 were approved by the Board of Directors on 27 April 2016 and signed on its behalf by:



P Reinheimer-Jones
Director

GEMINI ENERGY LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Year ended 30 June 2015 £'000	Period ended 30 June 2014 £'000
Net cash flow from operating activities			
Operating loss		(99)	(17)
Adjustments for:			
(Increase) / decrease in debtors		(52)	60
Increase / (decrease) in creditors		2,553	(273)
Increase in stocks		(171)	-
Net cash outflow generated / (used) in operating activities		2,231	(230)
Returns on investments			
Interest received		11	6
Taxation		-	-
Investing activities			
Purchase of tangible fixed assets		(20,436)	(28,468)
Net cash outflow from investing activities		(20,436)	(28,468)
Net cash outflow before financing		(18,194)	(28,692)
Financing			
Term loan draw-down	a & b	16,678	21,817
Gemini loan notes drawn-down	a & b	6,680	6,628
Share capital issued		178	382
		23,536	28,827
Increase in cash	a & b	5,342	135

GEMINI ENERGY LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

a) Analysis of net debt

	At 1 July 2014	Cash flows	Non cash movements	At 30 June 2015
	£'000	£'000	£'000	£'000
Cash at bank and in hand	267	5,342	-	5,609
Loan and other borrowings due after more than one year	(43,470)	(23,358)	(306)	(67,134)
	<u>(43,203)</u>	<u>(18,016)</u>	<u>(306)</u>	<u>(61,525)</u>

b) Movement in net debt

	Year ended 30 June 2015 £'000	Period ended 30 June 2014 £'000
At 1 July	(43,203)	(14,588)
Net increase in cash	5,342	135
Increase in borrowings	(23,358)	(28,445)
Issue costs of new debt	-	-
Amortisation of debt issue costs	(306)	(305)
At 30 June	<u>(61,525)</u>	<u>(43,203)</u>

GEMINI ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1 Accounting policies

(a) Basis of preparation

These financial statements have been prepared on the going concern basis in accordance with applicable UK accounting and financial reporting standards and the Companies Act 2006. These financial statements have been prepared using the historical cost convention and in accordance with the consistently applied accounting policies set out below. There have been no changes to accounting policies during the year. These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The directors have prepared a financial forecast that indicates the Group has adequate resources to remain in operation for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements.

The Group meets its day-to-day working capital requirements through its bank facilities and shareholder loans. The current delay to final commissioning continues to create some uncertainty over revenue levels and final capital costs. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance and timings, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements. Further information on the Group's borrowings is given in note 14.

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary Beckton Energy Limited. A subsidiary is defined as an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The Company has not presented its own profit and loss account and financial statements, as permitted by Section 408 of the Companies Act 2006. The company has made a loss during the period of £5,000 (2014: £15,000). The Company has taken the exemption from preparing a cash flow statement under the terms of FRS 1 (Revised 1996) 'Cash Flow Statements'.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2015

1 Accounting policies (continued)

(b) Turnover

Turnover represents the income receivable for services provided in the ordinary course of business, excluding VAT. Turnover represents the amounts derived from the production and sale of electricity which includes wholesale power and renewable obligation certificates. Turnover from the production and sale of electricity is recognised when the commodity is delivered on the basis of the agreed volumes and rates within the sales contracts.

Pre-commissioning revenue is presented within other operating income/charges.

(c) Tangible fixed assets and depreciation

Tangible fixed assets are included in the balance sheet at their purchase cost (together with any incidental costs of acquisition) less accumulated depreciation and impairment.

Cost includes finance costs which are directly attributable to the construction of the tangible fixed assets.

Depreciation is provided on all tangible fixed assets when commissioned, excluding land and buildings and assets in the course of construction, at rates calculated to write off the cost, less estimated residual value, of each asset over its estimated useful economic life as follows;

Land & buildings	Nil
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Asset lives for the assets in the course of construction will be determined on commissioning.

Impairment reviews are carried out if there is some indication that impairment may have occurred, or where otherwise required to ensure that fixed assets are not carried above their estimated recoverable amounts. Impairments are recognised in the profit and loss account, and, where material, are disclosed as exceptional. Impairment reversals are recognised when, in management's opinion, the reversal is permanent. Impairments of fixed assets are calculated as the difference between the carrying value of the net assets of income generating units, including where appropriate, investments, and their recoverable amounts. Recoverable amount is defined as the higher of net realisable value or estimated value in use at the date the impairment review is undertaken. Net realisable value represents the amount that can be generated through the sale of assets. Value in use represents the present value expected from future cash flows discounted on a pre-tax basis, using the estimated cost of capital of the income generating unit.

(d) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method.

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2015

1 Accounting policies (continued)

(e) Taxation

Current tax for the current and prior periods is provided at the amount expected to be recovered using the average tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on all timing differences which result in an obligation at the balance sheet date to pay more tax, or the right to pay less tax, at a future date, at tax rates expected to apply when the timing differences reverse based on tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

(f) Financial instruments

Financial assets, liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and is recorded at the proceeds received.

Borrowings, which include interest-bearing loans and overdrafts, are recorded at their initial fair value which normally reflects the net proceeds received less any repayments. Costs that are incurred directly in connection with the issue of a capital instrument are netted against the liability and amortised over the life of the underlying instrument.

(g) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate.

(h) Leases

Operating lease payments are charged to the profit and loss account on a straight-line basis over the term of the lease.

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2015

2 Directors' emoluments and employees

Directors' emoluments in respect of those paid for services wholly attributable to the Company were £nil (2014: £nil).

There were no employees of the Company during the year (2014: nil).

3 Operating loss

	Year ended 30 June 2015 £'000	Period ended 30 June 2014 £'000
Services provided by the company's auditors:		
Fees payable for the audit	40	26
Fees payable for other services – taxation	13	53
Fees payable for other services – sustainability audit	22	-

4 Other operating charges

Other operating charges include pre-commissioning revenue of £162,000 after related cost of sales of £244,000.

5 Interest receivable and similar income

	Year ended 30 June 2015 £'000	Period ended 30 June 2014 £'000
Bank interest	11	6
	<u>11</u>	<u>6</u>

6 Interest payable and similar charges

	Year ended 30 June 2015 £'000	Period ended 30 June 2014 £'000
Loan note interest	-	-
	<u>-</u>	<u>-</u>

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2015

7 Tax on loss on ordinary activities

(a) Analysis of charge in the year / period for the group

	Year ended 30 June 2015 £'000	Period ended 30 June 2014 £'000
Current tax:		
UK corporation tax	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	(18)	(2)
Adjustment in respect of prior years	(18)	(91)
Effects of changes in tax rates	-	354
Total deferred tax	(36)	261
Total tax (credit) / debit on ordinary activities	(36)	261

(b) Factors affecting the current tax charge

The tax assessed on the profit / (loss) on ordinary activities for the year / period differs (2014: differs) from the standard rate of corporation tax in the UK. The differences are reconciled below:

	Year ended 30 June 2015 £'000	Period ended 30 June 2014 £'000
Loss on ordinary activities before taxation	(88)	(11)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.75% (2014: 22.5%)	(18)	(3)
Effect of :		
Expenses not deductible for tax purposes	-	2
Capital allowances for year / period in excess of depreciation	(3,433)	(598)
Utilisation of deferred tax assets	-	(1)
Tax losses carried forward	3,451	600
Total current tax	-	-

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2015

7 Tax on loss on ordinary activities (continued)

Factors that may affect future tax charges

The Finance Act 2014 included legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015. The relevant deferred tax balances at 30 June 2015 have been re-measured accordingly.

Changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015 and were substantively enacted on the 26 October 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020. A further change was announced in the Chancellor's Budget on 16 March 2016 to reduce the main rate to 17% from 1 April 2020. As these changes had not been substantively enacted at 30 June 2015 its effects are not included in these financial statements.

8 Tangible assets

	Land & buildings	Assets in the course of construction	Total
	£'000	£'000	£'000
Cost:			
At 1 July 2014	894	57,029	57,923
Additions	-	19,552	19,552
At 30 June 2015	894	76,581	77,475
Accumulated depreciation:			
At 1 July 2014	-	100	100
Charge for the year	-	-	-
At 30 June 2015	-	100	100
Net book value:			
At 30 June 2015	894	76,481	77,375
At 30 June 2014	894	56,929	57,823

Assets in the course of construction include interest and commitment fees on the Term Loan Facility and VAT Facility of £6,019,000 (2014: £2,481,000), amortised debt issue costs of £688,000 (2014: £381,000) and interest on loans from group undertakings of £561,000.

GEMINI ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2015

9 Investments

	Shares in Subsidiary
	£'000
At 1 July 2014	6,862
Additional investment in shares	<u>178</u>
At 30 June 2015	<u>7,040</u>

On 12 March 2015 the Company acquired 178,135 £1 ordinary shares in Beckton Energy Limited for a cash consideration of £178,135.

The Company has a 100% interest in the ordinary share capital of Beckton Energy Limited, a company registered in England and Wales. The principal activity of Beckton Energy Limited is the development and operation of assets to generate renewable power at the Beckton gas pressure reduction station.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

10 Stocks

	2015 £'000	2014 £'000
Raw materials and consumables	<u>171</u>	<u>-</u>

There is no material difference between the replacement cost of fuel stocks and their carrying amounts.

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2015

11 Debtors: amounts falling due within one year

(a) For the consolidated group

	2015	2014
	£'000	£'000
Trade debtors	75	-
Value added tax recoverable	288	253
Other debtors	3,207	3,000
Accrued income	15	-
Prepayments	60	340
	<u>3,645</u>	<u>3,593</u>

Other debtors includes a £3,200,000 deposit (2014: £3,000,000) with Deutsche Bank AG, the issuing bank of a £3,000,000 (2014: £3,000,000) letter of credit to National Grid Gas PLC under the terms of the Asset Use Agreement and specifically relating to the period prior to completion of performance trials and a £200,000 (2014: £nil) letter of credit to British Gas Trading Limited under the terms of the Power Purchase Agreement.

(b) For the parent company

	2015	2014
	£'000	£'000
Accrued income	<u>561</u>	<u>-</u>

Accrued income relates to loan note interest receivable due from subsidiary company, Beckton Energy Limited.

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2015

12 Debtors: amounts falling due after more than one year

(a) For the consolidated group

The group has a net deferred tax asset totalling £2,403,000 (2014: £2,367,000), calculated at 20% (2014: 20%), made up as follows:

	2015 £'000	2014 £'000
Accelerated capital allowances	(11,077)	(710)
Tax losses carried forward	13,480	3,077
Total deferred tax asset	<u>2,403</u>	<u>2,367</u>

	2015 £'000	2014 £'000
Deferred tax asset at start of year	2,367	2,628
Origination and reversal of timing differences	18	2
Adjustment in respect of prior years	18	91
Effect of changes in tax rates	-	(354)
Deferred tax asset at end of year	<u>2,403</u>	<u>2,367</u>

(b) For the parent company

The company has a net deferred tax asset totalling £5,000 (2014: £2,000) calculated at 20% (2014: 20%), made up as follows:

	2015 £'000	2014 £'000
Accelerated capital allowances	-	-
Tax losses carried forward	5	2
Total deferred tax asset	<u>5</u>	<u>2</u>

	2015 £'000	2014 £'000
Deferred tax asset at start of year / period	2	-
Origination and reversal of timing differences	2	2
Adjustment in respect of prior years	1	-
Effect of changes in tax rates	-	-
Deferred tax asset at end of year / period	<u>5</u>	<u>2</u>

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2015

12 Debtors: amounts falling due after more than one year (continued)

(b) For the parent company (continued)

	2015	2014
	£'000	£'000
Shareholder loan notes (see below)	15,586	8,906
Deferred tax (see above)	5	2
	<u>15,591</u>	<u>8,908</u>
	2015	2014
	£'000	£'000
At 1 July	8,906	-
Shareholder loan notes issued	<u>6,680</u>	<u>8,906</u>
At 30 June	<u>15,586</u>	<u>8,906</u>

The shareholder loan relates to loan notes issued by Beckton Energy Limited. The loan notes are repayable in 2027 and bearing no interest until April 2015, subsequently followed by a fixed commercial interest rate.

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2015

13 Creditors: amounts falling due within one year

(a) For the consolidated group

	2015	2014
	£'000	£'000
Trade creditors	486	1,334
Amounts owed to group undertaking	-	9
Amounts owed to related undertaking	40	3
VAT loan facility	473	68
Accruals and deferred income	3,479	1,701
	<u>4,478</u>	<u>3,115</u>

On 14 March 2013 Beckton Energy Limited entered into a VAT funding Facility with Deutsche Bank Luxembourg S.A of £2,000,000.

The VAT facility bears interest costs on drawn amounts of a fixed margin above LIBOR and Commitment fees of a fixed percentage payable on all undrawn amounts of the Facility. Interest and commitment fees payable on the facility during the year of £23,000 (2014: £25,000) have been capitalised within tangible fixed assets.

(b) For the parent company

	2015	2014
	£'000	£'000
Trade creditors	2	-
Amounts owed to related undertaking	40	3
Accruals	569	14
	<u>611</u>	<u>17</u>

The amounts owed to related undertakings are payable to iCON, EEA, 20C Holdings and 20C Limited. The amounts are repayable on demand, interest free and unsecured.

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2015

14 Creditors: amounts falling due after more than one year

(a) For the consolidated group

	2015	2014
	£'000	£'000
Bank loan - term loan facility	51,548	34,564
Loans from group undertakings	15,586	8,906
	<u>67,134</u>	<u>43,470</u>

On 14 March 2013 Beckton Energy Limited entered into a Term Loan Facility with Deutsche Bank Luxembourg S.A used to provide funding for the anticipated capital costs during construction. The Term Loan Facility is stated net of unamortised debt issue costs of £1,757,000 (2014: £2,064,000). Interest and commitment fees payable on the facility during the year of £3,516,000 (2014: £2,085,000) have been capitalised within tangible fixed assets.

The Term Loan Facility, repayable by March 2021, bears interest costs on drawn amounts of a fixed margin above LIBOR and commitment fees of a fixed percentage payable on all undrawn amounts of the Facility. The lending bank has been granted security including a first ranking security over all the company's assets, contracts and insurances, all property interests and shares.

On 28 March 2013 Beckton Energy Limited entered into a fixed swap arrangement with Deutsche Bank AG in respect of 100% of the value of the Term Loan Facility. At the balance sheet date this swap instrument had a mark to market valuation showing a loss of £2,315,000 (2014: gain of £960,000). This gain/loss has been disclosed, but not recognised in the financial statements.

The loans from group undertakings represents loan notes issued to iCON Master Holdings II (GBP) Sarl ("iCON"), EEA Holdings Limited ("EEA") and 2OC Holdings by the Company. The loan notes are repayable in 2027, bearing no interest until April 2015, subsequently followed by a fixed commercial interest rate.

(b) For the parent company

	2015	2014
	£'000	£'000
At 1 July	8,906	-
Shareholder loan notes issued (see note 14a)	6,680	8,906
At 30 June	<u>15,586</u>	<u>8,906</u>

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2015

15 Called up share capital

(a) For the consolidated group

	2015	2014
	£'000	£'000
Allotted, called up and fully paid		
7,040,000 (2014: 6,862,000) ordinary shares of £1 each	<u>7,040</u>	<u>6,862</u>
	<u>7,040</u>	<u>6,862</u>

On 12 March 2015 the Company issued 178,135 ordinary shares of £1 each for a cash consideration of £178,135.

All shares issued were 77.5% to iCON, 12.5% to EEA and 10% to 2OC Holdings in accordance with the Subscription and Shareholder Agreement.

(b) For the parent company

	2015	2014
	£'000	£'000
Allotted, called up and fully paid		
7,040,000 (2014: 6,862,000) ordinary shares of £1 each	<u>7,040</u>	<u>6,862</u>
	<u>7,040</u>	<u>6,862</u>

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2015

16 Reserves

(a) For the consolidated group

**Profit and loss
account**

£'000

At 1 July 2014	10,603
Loss for the financial year	(52)
At 30 June 2015	<u>10,551</u>

(b) For the parent company

**Profit and
loss account**

£'000

At 1 July 2014	(15)
Loss for the financial year	(5)
At 30 June 2015	<u>(20)</u>

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2015

17 Reconciliation of movements in shareholders' funds

(a) For the consolidated group

	2015	2014
	£'000	£'000
Loss for the financial year / period	(52)	(272)
Share capital issued during the year / period	178	382
Net increase in shareholders' funds	126	110
Opening shareholders' funds	17,465	17,355
Closing shareholders' funds	17,591	17,465

(b) For the parent company

	2015	2014
	£'000	£'000
Loss for the financial year / period	(5)	(15)
Share capital issued during the year / period	178	6,862
Net increase in shareholders' funds	173	6,847
Opening shareholders' funds	6,847	-
Closing shareholders' funds	7,020	6,847

18 Capital and other commitments

(a) For the consolidated group

	2015	2014
	£'000	£'000
Contracts placed for future expenditure not provided for in the financial statements	4,707	12,178

(b) For the parent company

There were no capital and other commitments.

GEMINI ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2015

19 Financial commitments

(a) For the consolidated group

At 30 June 2015 Beckton Energy Limited had annual commitments under non-cancellable operating leases expiring as follows:

	2015	2014
	£'000	£'000
Land and buildings		
Within one year	<u>27</u>	<u>28</u>
	<u>27</u>	<u>28</u>

See notes 13 and 14 in relation to other financial commitments.

(b) For the parent company

There were no annual commitments under non-cancellable operating leases.

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2015

20 Related party transactions

(a) For the consolidated group

Related party purchases are made up of costs incurred by 2OC Ltd that are charged to Beckton Energy Limited in respect of professional services and seconded staff. 2OC Ltd owns 100% of the share capital of 2OC Holdings which owns 10% of the share capital of the Company.

	Charged in the year to 30 June 2015 £'000	Balance at 30 June 2015 £'000
Charged from 2OC Ltd	1,362	-

	Charged in the year to 30 June 2014 £'000	Balance at 30 June 2014 £'000
Charged from 2OC Ltd	1,324	7

Amounts charged from 2OC Ltd relate to Management Service Agreement costs of £1,362,000 (2014: £1,324,000).

(b) For the parent company

Related party transactions with iCON, EEA and 2OC Holdings via Share Capital and Loan Notes are disclosed in notes 14 and 15 to the financial statements.

21 Post balance sheet events

Focus has remained on the final commissioning of the Beckton CHP facility, although this has been delayed due to a number of equipment issues which has prevented final take-over of the facility. Liquidated damages of £7.6 million have been received as a result of calling on the performance bond put in place by the main contractor. In the meantime, the CHP facility is generating electricity in-between maintenance and remedial work activities. Notifications of contractual claims totalling circa. £29 million has been received from the main contractor, for additional capital cost variations to the contract. An amount has been accrued at 30 June 2015 within accruals and deferred income for any legitimate costs incurred by the year-end, based on the assessment of the directors and advice received from legal experts, but the amount is not individually material.

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2015

22 Ultimate parent undertaking and controlling party

The ultimate controlling party and ultimate parent of Gemini Energy Limited is iCON Infrastructure Management II Limited, acting in its capacity as the general partner of iCON Infrastructure Partners II L.P. iCON Infrastructure Management II Limited is a company registered in Guernsey whose registered office is Ogier House, St Julian's Avenue, St Peter Port, Guernsey, GY1 1WA.