

GEMINI ENERGY LIMITED
ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Registered Number 08384635

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GEMINI ENERGY LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2016

The Directors present their Strategic Report of the Group and Gemini Energy Limited ("the Company") for the year ended 30 June 2016.

BUSINESS REVIEW

Focus remained on the completion of the Beckton CHP facility and the operation, maintenance and contract management associated with a fully operational facility.

Although there have been some delays to the completion of the Beckton CHP facility, pre-completion electricity generation continued in the year.

RESULTS AND DIVIDENDS

The profit for the Group for the year was £4,801,000 (2015: loss for the year of £52,000).

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 10 of the Annual Report and Financial Statements. Total shareholders' equity at 30 June 2016 was £16,862,000 (2015: £15,739,000), comprising fixed assets of £84,007,000 (2015: £77,375,000), net current assets of £6,266,000 (2015: £7,813,000) and long term liabilities of £73,411,000 (2015: £69,449,000).

The financial position of the Company is presented in the balance sheet on page 11 of the Annual Report and Financial Statements. Total shareholders' equity at 30 June 2016 was £7,021,000 (2015: £7,020,000), comprising fixed assets of £7,040,000 (2015: £7,040,000), net current assets of £15,567,000 (2015: £15,566,000) and long term liabilities of £15,586,000 (2015: £15,586,000).

KEY PERFORMANCE INDICATORS

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

- Health and safety incident reporting
- Completion 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
- Plant output and efficiency

GEMINI ENERGY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2016

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.

IMPACT OF THE EUROPEAN UNION ("EU") REFERENDUM

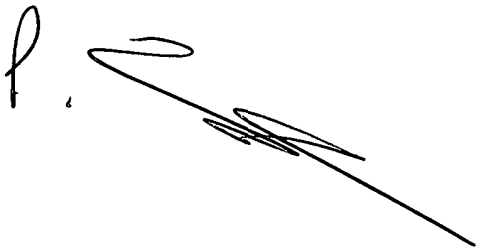
The impact of the EU referendum result, whereby the UK voted to leave the EU, is likely to lead to many months of uncertainty as the political and legal issues are worked out. The directors do not believe that it will have a material impact on the business but will monitor events closely.

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
21 December 2016

REGISTERED OFFICE

One Glass Wharf
Bristol
BS2 0ZX

Registered in England and Wales
Number 08384635

GEMINI ENERGY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2016

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 2016.

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 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:

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.

DIRECTORS' INDEMNITIES AND INSURANCE

The Company maintained throughout the year, and at the date of approval of the financial statements, liability insurance for its directors and officers. This is a qualifying provision for the purposes of the Companies Act 2006.

GEMINI ENERGY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2016

POST BALANCE SHEET EVENTS

On the 4 November 2016, Beckton Energy Limited agreed to take-over the plant from the main contractor (which upon satisfaction of conditions precedent occurred on 10 November 2016) under an amended EPC and together with a Settlement Agreement which acted as a waiver of all contractual claims by the main contractor to date. On the same date a Facilities Agreement Amendment was signed with Deutsche Bank Luxembourg S.A to accommodate the handover in the form agreed with the EPC contractor.

Beckton Energy Limited is now focused on finalising completion works and defects that were present at take-over from the main contractor and then on operating the Beckton CHP facility.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, Directors' 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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. 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, including FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GEMINI ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

ADOPTION OF FRS 102

The financial statements reflect the adoption of Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102"). The new regime applies to accounting periods beginning on or after 1 January 2015.

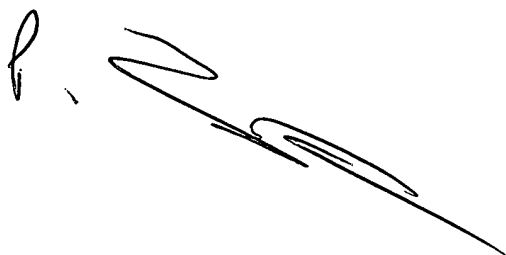
FRS 102 is a single reporting standard which replaced all extant UK Generally Accepted Accounting Practice ("UK GAAP"). It is based on the International Financial Reporting Standard for Small and Medium-sized Entities ("IFRS for SMEs"), amended to comply with the Companies Act and allow additional accounting policy choices.

In order to comply with FRS 102 the financial statements also include a statement of changes in equity. The summary of significant accounting policies applied are set out in note 3, critical accounting judgements and estimation uncertainties are set out in note 4 and details of the adoption of FRS 102 are disclosed in note 25.

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
21 December 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 2016 and of the group's profit for the financial year 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 sheet as at 30 June 2016;
- the consolidated profit and loss account and consolidated statement of comprehensive income for the year then ended;
- the consolidated cash flow statement for the year then ended;
- the consolidated and company statement of changes in equity 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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and applicable law.

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 (CONTINUED)

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
21 December 2016

GEMINI ENERGY LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2016

		2016	2015
	Note	£'000	£'000
Administrative expenses		(129)	(17)
Other operating income / (expense)	6	6,265	(82)
Operating profit / (loss)	7	6,136	(99)
Interest receivable and similar income	8	17	11
Profit / (loss) on ordinary activities before taxation		6,153	(88)
Tax on profit / (loss) on ordinary activities	9	(1,352)	36
Profit / (loss) for the financial year		4,801	(52)

GEMINI ENERGY LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

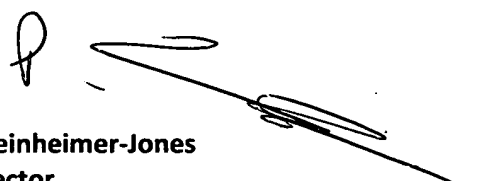
FOR THE YEAR ENDED 30 JUNE 2016

		2016	2015
	Note	£'000	£'000
Profit / (loss) for the financial year		<u>4,801</u>	<u>(52)</u>
Other comprehensive income / (expense)			
Cash flow hedges			
- Change in value of hedging instrument	16	(4,429)	(6,021)
- Tax on components of other comprehensive income	15	<u>751</u>	<u>1,204</u>
Other comprehensive expense for the year, net of tax		<u>(3,678)</u>	<u>(4,817)</u>
Total comprehensive income / (expense) for the year		<u>1,123</u>	<u>(4,869)</u>
Total comprehensive income / (expense) for the year attributable to owners of the parent		<u><u>1,123</u></u>	<u><u>(4,869)</u></u>

GEMINI ENERGY LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2016

	Note	2016 £'000	2015 £'000
Fixed assets			
Intangible assets	10	237	225
Tangible assets	11	83,770	77,150
		<u>84,007</u>	<u>77,375</u>
Current assets			
Stocks	13	198	171
Debtors: amounts falling due within one year	14	3,331	3,645
Debtors: amounts falling due after more than one year	15	2,265	2,866
Cash at bank and in hand		7,109	5,609
		<u>12,903</u>	<u>12,291</u>
Creditors: amounts falling due within one year	17	<u>(6,637)</u>	<u>(4,478)</u>
Net current assets		<u>6,266</u>	<u>7,813</u>
Total assets less current liabilities		90,273	85,188
Creditors: amounts falling due after more than one year	18	(73,411)	(69,449)
Net assets		<u><u>16,862</u></u>	<u><u>15,739</u></u>
Capital and reserves			
Called up share capital	19	7,040	7,040
Hedging reserve		(5,530)	(1,852)
Retained earnings		15,352	10,551
Total equity		<u><u>16,862</u></u>	<u><u>15,739</u></u>

The financial statements on pages 8 to 36 were approved by the Board of Directors on 21 December 2016 and signed on its behalf by:


P Reinheimer-Jones
Director

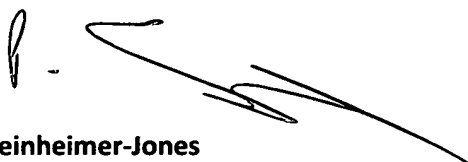
GEMINI ENERGY LIMITED

COMPANY BALANCE SHEET

AS AT 30 JUNE 2016

	Notes	2016 £'000	2015 £'000
Fixed assets			
Investments	12	<u>7,040</u>	<u>7,040</u>
		<u>7,040</u>	<u>7,040</u>
Current assets			
Debtors: amounts falling due within one year	14	2,905	561
Debtors: amounts falling due after more than one year	15	15,591	15,591
Cash at bank and in hand		12	25
		<u>18,508</u>	<u>16,177</u>
Creditors: amounts falling due within one year	17	<u>(2,941)</u>	<u>(611)</u>
Net current assets		<u>15,567</u>	<u>15,566</u>
Total assets less current liabilities		<u>22,607</u>	<u>22,606</u>
Creditors: amounts falling due after more than one year	18	<u>(15,586)</u>	<u>(15,586)</u>
Net assets		<u><u>7,021</u></u>	<u><u>7,020</u></u>
Capital and reserves			
Called up share capital	19	7,040	7,040
Retained earnings – brought forward		(20)	(15)
Retained earnings – profit for the financial year		1	(5)
Total equity		<u><u>7,021</u></u>	<u><u>7,020</u></u>

The financial statements on pages 8 to 36 were approved by the Board of Directors on 21 December 2016 and signed on its behalf by:



P Reinheimer-Jones
Director

GEMINI ENERGY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Called up share capital £'000	Hedging reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 July 2014	6,862	2,965	10,603	20,430
Loss for the financial year	-	-	(52)	(52)
Other comprehensive expense	-	(4,817)	-	(4,817)
Total comprehensive expense	-	(4,817)	(52)	(4,869)
Proceeds from shares issued and total transactions with owners recognised directly in equity	178	-	-	178
	<u>178</u>	<u>-</u>	<u>-</u>	<u>178</u>
Balance at 1 July 2015	7,040	(1,852)	10,551	15,739
Profit for the financial year	-	-	4,801	4,801
Other comprehensive expense	-	(3,678)	-	(3,678)
Total comprehensive (expense) / income	-	(3,678)	4,801	1,123
Balance at 30 June 2016	7,040	(5,530)	15,352	16,862

The accounting policies and the notes on pages 16 to 36 form part of these financial statements

GEMINI ENERGY LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 July 2014	6,862	(15)	6,847
Loss for the financial year	-	(5)	(5)
Other comprehensive income	-	-	-
Total comprehensive income	<u>-</u>	<u>(5)</u>	<u>(5)</u>
Proceeds from shares issued and total transactions with owners recognised directly in equity	178	-	178
	<u>178</u>	<u>-</u>	<u>178</u>
Balance at 1 July 2015	<u>7,040</u>	<u>(20)</u>	<u>7,020</u>
Profit for the financial year	-	1	1
Other comprehensive income	-	-	-
Total comprehensive income	<u>-</u>	<u>1</u>	<u>1</u>
Balance at 30 June 2016	<u>7,040</u>	<u>(19)</u>	<u>7,021</u>

The accounting policies and the notes on pages 16 to 36 form part of these financial statements

GEMINI ENERGY LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 £'000	2015 £'000
Net cash from operating activities	a & b	8,659	2,231
Taxation paid		-	-
Net cash generated from operating activities		8,659	2,231
Cash flow from investing activities			
Purchase of tangible fixed assets		(6,391)	(20,212)
Purchase of Intangible fixed assets		(13)	(224)
Interest received		17	11
Net cash used in investing activities		(6,387)	(20,425)
Cash flow from financing activities			
Term loan draw-down		-	16,678
Term loan capital repayment	b	(772)	-
Gemini loan notes drawn-down		-	6,680
Share capital issued		-	178
Net cash generated from financing activities		(772)	23,536
Net increase in cash and cash equivalents	a & b	1,500	5,342
Cash and cash equivalents at the beginning of the year		5,609	267
Cash and cash equivalents at the end of the year		7,109	5,609
Cash and cash equivalents consists of:			
Cash at bank and in hand		7,109	5,609
Cash and cash equivalents		7,109	5,609

GEMINI ENERGY LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

a) Reconciliation of profit / (loss) for the financial year to net cash flow from operating activities

	Notes	2016 £'000	2015 £'000
Profit / (loss) for the financial year		4,801	(52)
Adjustments for			
Tax on profit / (loss) on ordinary activities		1,352	(36)
Interest receivable and similar income		(17)	(11)
Operating profit / (loss)		6,136	(99)
Adjustments for:			
Decrease / (increase) in debtors		314	(52)
Increase in creditors		2,236	2,553
Increase in stocks		(27)	(171)
Net cash from operating activities		8,659	2,231

b) Analysis of changes in net debt

	At 1 July 2015 £'000	Cash flows £'000	Non cash movements £'000	At 30 June 2016 £'000
Cash at bank and in hand	5,609	1,500	-	7,109
Cash and cash equivalents	5,609	1,500	-	7,109
Loan and other borrowings due after more than one year	(67,134)	772	(305)	(66,667)
	<u>(61,525)</u>	<u>2,272</u>	<u>(305)</u>	<u>(59,558)</u>

GEMINI ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1 General information

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 and heat near the Beckton gas pressure reduction station in East London (known as “the Beckton CHP facility”).

The Company is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is One Glass Wharf, Bristol, BS2 0ZX.

2 Compliance statement

The individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 102, “The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland” (“FRS 102”) and the Companies Act 2006. The company has elected to apply early the small entities regime set out in Section 1A of FRS 102.

3 Summary of Significant Accounting Policies

(a) Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The group has adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 25.

The financial statements have been prepared on the going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

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 profit during the year of £1,000 (2015: loss of £5,000).

GEMINI ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

3 Summary of Significant Accounting Policies (continued)

(b) Going concern

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 Company should be able to operate within the level of its current and recently amended facilities. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements. Further information on the Group's borrowings is given in note 18.

(c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. Exemptions under FRS 102 paragraph 1.12 have been applied by the Company in relation to presentation of a cash flow statement, related party transactions, certain financial instrument disclosures and the non-disclosure of key management personnel compensation.

(d) 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-completion revenue is presented within other operating income / (expense).

(e) Taxation

Current tax for the current and prior periods is provided at the amount expected to be recovered using the 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.

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2016

3 Summary of Significant Accounting Policies (continued)

(e) Taxation (continued)

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) Intangible assets

Intangible assets represents computer software and are stated at cost less accumulated amortisation and impairment losses. No amortisation is charged until the assets in the course of construction are commissioned.

(g) 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. 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.

(h) Leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. During the construction period operating lease payments will be capitalised. Once the asset is commissioned operating lease payments will be charged to the profit and loss account on a straight-line basis over the term of the lease.

(i) Interest receivable / payable

Interest receivable is recognised in the profit and loss account in the period in which it is earned.

GEMINI ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

3. Summary of Significant Accounting Policies (continued)

(i) Interest receivable / payable (continued)

Interest payable is capitalised up to commissioning and, thereafter, recognised in the profit and loss account in the period in which it is incurred.

(j) Foreign currencies

The Group's functional and presentational currency is the pound sterling.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

(k) Inventories

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

(l) Financial instruments

The Group has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at market rates of interest. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment is recognised in the profit and loss account.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the assets expire or are settled, or (b) substantially all the risk and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2016

3 Summary of Significant Accounting Policies (continued)

(l) Financial instruments (continued)

Financial liabilities

Basic financial liabilities, including trade and other payables, interest bearing loans and amounts owed to group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest.

Borrowings, which include interest-bearing loans and overdrafts, are recorded at their initial fair value which normally reflects the proceeds received, net of direct issue costs less any repayments. Subsequently these are stated at amortised cost, using the effective interest rate method. Any difference between proceeds and the redemption value is recognised over the term of the borrowing in the profit and loss account using the effective interest method.

Hedging arrangements

The Group applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings. Interest rate swaps are held to manage the interest rate exposures and are designated as cash flow hedges of floating rate borrowings.

Changes in the fair value of derivatives designated as cash flow hedges, and which are effective, are recognised directly in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since the inception of the hedge) is recognised in the profit and loss account.

The gain or loss in other comprehensive income is reclassified to the profit and loss account when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is de-recognised or the hedging instrument is de-recognised.

(m) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax from the proceeds.

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2016

3 Summary of Significant Accounting Policies (continued)

(n) Distributions to equity holders

Dividends and other distributions to the Group's shareholders are recognised in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

(o) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of six months or less and bank overdrafts.

4 Critical accounting judgements and estimation uncertainty

Group management and the board of directors make estimates and assumptions about the future. These estimates and assumptions impact recognised assets and liabilities, as well as revenue and expenses and other disclosures. These estimates are based on historical experience and on various assumptions considered reasonable under the prevailing conditions. The actual outcome may diverge from these estimates if other assumptions are made, or other conditions arise. The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities within financial year include:

- Tangible assets are recognised at cost, less accumulated depreciation, amortisation and any impairments. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the Group's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2016

5 Directors' emoluments and employees

Directors' emoluments in respect of those paid for services wholly attributable to the Company were £nil (2015: £nil). There were no employees of the Company during the year (2015: nil).

6 Other operating income / (expense)

	2016	2015
	£'000	£'000
Pre-completion revenue	2,583	162
Related cost of sales	(1,653)	(244)
Insurance & Liquidated damages proceeds	5,335	-
	<u>6,265</u>	<u>(82)</u>

7 Operating profit / (loss)

	2016	2015
	£'000	£'000
Services provided by the company's auditors:		
Fees payable for the audit	38	40
Fees payable for other services – taxation	35	13
Fees payable for other services – sustainability audit	13	22

8 Interest receivable and similar income

	2016	2015
	£'000	£'000
Bank interest	<u>17</u>	<u>11</u>
	<u>17</u>	<u>11</u>

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2016

9 Tax on profit / (loss) on ordinary activities

Analysis of charge in the year for the group

	2016	2015
	£'000	£'000
Current tax:		
UK corporation tax	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	1,350	(18)
Adjustment in respect of prior years	2	(18)
Total deferred tax	1,352	(36)
Total tax debit / (credit) on ordinary activities	1,352	(36)

Factors affecting the tax charge

The tax assessed on the profit / (loss) on ordinary activities for the year differs (2015: differs) from the standard rate of corporation tax in the UK. The differences are reconciled below:

	2016	2015
	£'000	£'000
Profit / (loss) on ordinary activities before taxation	6,153	(88)
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.75%)	1,231	(18)
Effect of :		
Adjustment in respect of prior years	4	(18)
Tax rate changes	117	-
Total tax	1,352	(36)

Factors that may affect future tax charges

The Finance Act 2015 included legislation to reduce the main rate of corporation tax from 21% to 20% from 1 April 2015. The relevant deferred tax balances at 30 June 2016 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 2015 to reduce the main rate to 17% from 1 April 2020. As these changes had not been substantively enacted at 30 June 2016 its effects are not included in these financial statements.

GEMINI ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

10 Intangible assets

	Computer software
	£'000
Cost:	
At 1 July 2015	325
Additions	12
At 30 June 2016	337
Accumulated amortisation and impairment:	
At 1 July 2015	100
Charge for the year	-
At 30 June 2016	100
Net book value:	
At 30 June 2016	237
At 30 June 2015	225

The computer software represents assets in the course of construction and is not currently amortised.

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2016

11 Tangible assets

	Land & buildings	Assets in the course of construction	Total
	£'000	£'000	£'000
Cost:			
At 1 July 2015	894	76,256	77,150
Additions	-	6,620	6,620
At 30 June 2016	894	82,876	83,770
Accumulated depreciation:			
At 1 July 2015	-	-	-
Charge for the year	-	-	-
At 30 June 2016	-	-	-
Net book value:			
At 30 June 2016	894	82,876	83,770
At 30 June 2015	894	76,257	77,150

Assets in the course of construction include interest and commitment fees on the Term Loan Facility and VAT Facility of £8,709,000 (2015: £5,458,000) and amortised debt issue costs of £993,000 (2015: £688,000). Interest and commitment fees include interest on loans from group undertakings of £2,905,000 (2015: £561,000).

GEMINI ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

12 Investments

**Shares in
Subsidiary**

£'000

At 1 July 2015 and 30 June 2016

7,040

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 address of its registered office is One Glass Wharf, Bristol, BS2 OZX.

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

13 Stocks

	2016	2015
	£'000	£'000
Raw materials and consumables	<u>198</u>	<u>171</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 2016

14 Debtors: amounts falling due within one year

(a) For the consolidated group

	2016	2015
	£'000	£'000
Trade debtors	3	75
Value added tax recoverable	87	288
Other debtors	3,200	3,207
Accrued income	14	15
Prepayments	27	60
	<u>3,331</u>	<u>3,645</u>

Other debtors includes a £3,200,000 deposit (2015: £3,200,000) with Deutsche Bank AG, the issuing bank of a £3,000,000 (2015: £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 (2015: £200,000) letter of credit to British Gas Trading Limited under the terms of the Power Purchase Agreement.

(b) For the parent company

	2016	2015
	£'000	£'000
Amounts owed from group undertaking	<u>2,905</u>	<u>561</u>

Amounts owed from group undertaking 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 2016

15 Debtors: amounts falling due after more than one year

(a) For the consolidated group

The group has a net deferred tax asset totalling £2,284,000 (2015: £2,866,000), calculated at 18% (2015: 20%), made up as follows:

	2016	2015
	£'000	£'000
Accelerated capital allowances	(12,689)	(11,077)
Tax losses carried forward	13,740	13,480
Derivative financial instruments	1,214	463
Total deferred tax asset	<u>2,265</u>	<u>2,866</u>
Deferred tax asset at start of year	2,866	1,626
Origination and reversal of timing differences	2	18
Adjustment in respect of prior years	(2)	18
Movement in deferred tax on derivative financial instruments	751	1,204
Deferred tax charge in profit and loss account	<u>(1,352)</u>	<u>-</u>
Deferred tax asset at end of year	<u>2,265</u>	<u>2,866</u>

The deferred tax asset is regarded as more likely than not that it will be recovered based on the Group's forecasts and projections post-completion.

(b) For the parent company

The company has a net deferred tax asset totalling £5,000 (2015: £5,000) calculated at 18% (2015: 20%), made up as follows:

	2016	2015
	£'000	£'000
Tax losses carried forward	5	5
Total deferred tax asset	<u>5</u>	<u>5</u>
Deferred tax asset at start of year	5	2
Origination and reversal of timing differences	-	2
Adjustment in respect of prior years	-	1
Deferred tax asset at end of year	<u>5</u>	<u>5</u>

GEMINI ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

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

(b) For the parent company (continued)

	2016 £'000	2015 £'000
Shareholder loan notes (see below)	15,586	15,586
Deferred tax (see above)	5	5
	<u>15,591</u>	<u>15,591</u>

	2016 £'000	2015 £'000
At 1 July	15,586	8,906
Shareholder loan notes issued	-	6,680
At 30 June	<u>15,586</u>	<u>15,586</u>

The shareholder loan relates to loan notes issued by Beckton Energy Limited. The loan notes are repayable in 2027 and bore no interest until April 2016, subsequently followed by a fixed commercial interest rate.

16 Derivative financial instruments

The Group has the following interest rate swap included at fair value in the financial statements:

	2016 £'000	2015 £'000
(Creditor) / debtor at 1 July	<u>(2,315)</u>	<u>3,706</u>
Changes in value dealt with through other comprehensive income / (expense)	<u>(4,429)</u>	<u>6,021</u>
Creditor at 30 June	<u>(6,744)</u>	<u>(2,315)</u>

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 £6,744,000 (2015: loss of £2,315,000). The cash flow hedge has identical critical terms and is highly effective thereby qualifying for hedge accounting.

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2016

17 Creditors: amounts falling due within one year

(a) For the consolidated group

	2016	2015
	£'000	£'000
Trade creditors	300	486
Amounts owed to related undertaking	2,926	598
Other Creditors	625	-
VAT loan facility	1,002	473
Accruals and deferred income	1,784	2,921
	<u>6,637</u>	<u>4,478</u>

There has been a restatement of £558,000 recognised in the year ending 30 June 2015 from accruals and deferred income to amounts owed to group and related undertakings correcting for interest accrued on loans due to group undertakings.

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 £36,000 (2015: £23,000) have been capitalised within tangible fixed assets.

(b) For the parent company

	2016	2015
	£'000	£'000
Trade creditors	1	2
Amounts owed to related undertaking	2,926	598
Accruals	14	11
	<u>2,941</u>	<u>611</u>

The amounts owed to related undertakings are payable to iCON, Melquart, 2OC Holdings and 2OC Limited. The amounts are repayable on demand, interest free and unsecured.

There has been a restatement of £558,000 recognised in the year ending 30 June 2015 from accruals and deferred income to amounts owed to group and related undertakings correcting for interest accrued on loans due to group undertakings.

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2016

18 Creditors: amounts falling due after more than one year

(a) For the consolidated group

	2016	2015
	£'000	£'000
Bank loan - term loan facility	51,081	51,548
Loans from group undertakings	15,586	15,586
Derivative financial instruments (note 16)	6,744	2,315
	<u>73,411</u>	<u>69,449</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. On 4 November 2016 a Facilities Agreement Amendment was signed with Deutsche Bank Luxembourg S.A to extend certain of the construction period provisions. The Term Loan Facility is stated net of unamortised debt issue costs of £1,452,000 (2015: £1,757,000). Interest and commitment fees payable on the Facility during the year of £3,215,000 (2015: £2,955,000) 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.

The loans from group undertakings represents loan notes issued to iCON Master Holdings II (GBP) Sarl ("iCON"), Melquart Limited ("Melquart") and 2OC Holdings by the Company. The loan notes are repayable in 2027, bearing no interest until April 2016, subsequently followed by a fixed commercial interest rate.

(b) For the parent company

	2016	2015
	£'000	£'000
At 1 July	15,586	8,906
Shareholder loan notes issued (see note 15b)	-	6,680
At 30 June	<u>15,586</u>	<u>15,586</u>

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2016

19 Called up share capital

(a) For the consolidated group

	2016	2015
	£'000	£'000
Allotted, called up and fully paid		
7,040,000 (2015: 7,040,000) ordinary shares of £1 each	<u>7,040</u>	<u>7,040</u>
	<u>7,040</u>	<u>7,040</u>

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

(b) For the parent company

	2016	2015
	£'000	£'000
Allotted, called up and fully paid		
7,040,000 (2015: 7,040,000) ordinary shares of £1 each	<u>7,040</u>	<u>7,040</u>
	<u>7,040</u>	<u>7,040</u>

20 Capital and other commitments

(a) For the consolidated group

	2016	2015
	£'000	£'000
Contracts placed for future expenditure not provided for in the financial statements	<u>831</u>	<u>4,707</u>

(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 2016

21 Financial commitments

(a) For the consolidated group

The group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2016	2015
	£'000	£'000
Not later than one year	-	27
	-	27

See notes 16 to 18 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 2016

22 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. 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 2016 £'000	Balance at 30 June 2016 £'000
Charged from 2OC Ltd	1,531	-

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

Amounts charged from 2OC Ltd relate to Management Service Agreement costs of £1,531,000 (2015: £1,362,000).

(b) For the parent company

Related party transactions with iCON, Melquart and 2OC Holdings via Share Capital and Loan Notes are disclosed in notes 18 and 19 to the financial statements.

23 Post balance sheet events

On the 4 November 2016, Beckton Energy Limited agreed to take-over the plant from the main contractor (which upon satisfaction of conditions precedent occurred on 10 November 2016) under an amended EPC and together with a Settlement Agreement which acted as a waiver of all contractual claims by the main contractor to date. On the same date a Facilities Agreement Amendment was signed with Deutsche Bank Luxembourg S.A to accommodate the handover in the form agreed with the EPC contractor.

Beckton Energy Limited is now focused on finalising completion works and defects that were present at take-over from the main contractor and then on operating the Beckton CHP facility.

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2016

24 Transition to FRS 102

(a) For the consolidated group

This is the first year that the Group has presented its results under FRS 102. The last financial statements under old UK GAAP were for the year ended 30 June 2015. The date of transition to FRS 102 was 1 July 2014. We have set out below changes in accounting policies which reconcile profit for the financial year ended 30 June 2015 and the total equity as at 1 July 2014 and 30 June 2015 between old UK GAAP and FRS 102.

		2015	2014
Total equity	Note	£'000	£'000
As previously reported under old UK GAAP		17,591	17,465
Derivative financial instruments			
Cash flow hedges			
- Derivative financial instruments	a	(2,315)	3,706
- Deferred tax on derivative financial instruments	b	463	(741)
		<u>(1,852)</u>	<u>2,965</u>
Software assets			
Intangible assets	c	225	225
Tangible assets	c	(225)	(225)
		<u>-</u>	<u>-</u>
As restated under FRS102		15,739	20,430
		2015	2015
Loss for the financial year and total comprehensive expense	Note	£'000	£'000
Loss for the financial year under old UK GAAP			(52)
Loss for the financial year as reported under FRS 102			(52)
Derivative financial instruments			
Cash flow hedges			
- Change in value of hedging instrument	a		(6,021)
- Tax on components of other comprehensive income	b		1,204
Total adjustment to profit for the financial year			(4,817)
Total comprehensive expense as restated under FRS102			(4,869)

GEMINI ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2016

25 Transition to FRS 102 (continued)

(a) For the consolidated group (continued)

I. Derivative financial instruments

FRS102 requires derivative financial instruments to be recognised at fair value. Previously under old UK GAAP the Company did not recognise these instruments in the financial statements. Accordingly at transition an asset of £3,706,000 was recognised and a loss was recognised in the statement of comprehensive income for the year ended 30 June 2015 as a liability of £2,315,000 was recognised at that date.

II. Deferred taxation on derivative financial instruments

The Company has accounted for deferred taxation on transition as follows:

Derivative financial instruments – Deferred tax of £741,000 has been recognised at 20% on the asset recognised on transition at 1 July 2014. In the year ended 30 June 2015 the Company has recognised a gain of £1,204,000 in the tax charge in respect of the reduction in the value of derivative assets recognised in the profit and loss account.

III. Software assets

The only other adjustment made has been a transfer of software assets from tangible fixed assets to intangible assets. The cost of the software assets at the date of transition and at 30 June 2015 was £325,000. The accumulated depreciation at the date of transition and at 30 June 2015 was £100,000. Finally, the net book amount at the date of transition and 30 June 2015 was £225,000. No depreciation or amortisation has been charged on these assets in 2015. This had no impact on the profit and loss account or on net assets.

(b) For the parent company

This is the first year that the company has presented its results under FRS 102. The last financial statements under old UK GAAP were for the year ended 30 June 2015. The date of transition to FRS 102 was 1 July 2014. We have not set out changes in accounting policies which reconcile profit for the financial year ended 30 June 2015 and the total equity as at 1 July 2014 and 30 June 2015 between old UK GAAP and FRS 102 as no changes were identified.

26 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.