Company Registration No. 01874716

ENER-G COMBINED POWER LIMITED

Annual Report and Financial Statements

For the year ended 31 March 2015

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

T H Scott
A J Evans
A K Barlow
P Law
C J Hayton
C J Marsland
C S Dixon
C Woodhead
D Winstanley
I A Hopkins

COMPANY SECRETARY

R Wardner

REGISTERED OFFICE

ENER-G House
Daniel Adamson Road
Salford
Manchester
United Kingdom
M50 1DT

BANKERS

Barclays Bank plc
3 Hardman Street
Manchester
M3 3AX

SOLICITORS

Stevens & Bolton LLP
Wey House
Farnham Road
Guildford
GU1 4YD

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester
United Kingdom

STRATEGIC REPORT

The directors, in preparing this strategic report, have complied with s414c of the Companies Act 2006.

COMPANY STRATEGY

The company's strategy is to:

- Provide the highest standard of service to our customers and constantly exceed their expectations,
- Create a working environment where excellence, commitment and achievement are recognised and rewarded,
- Promote a quality-focused culture and aim to become the partner of first choice,
- Build successful long-term income streams through successful long-term relationships with customers, suppliers and influencers.

This strategy will be achieved by working with our existing stakeholders to develop new business opportunities, both in the UK and overseas, and by continuing to support the expansion of cogeneration technologies in attractive overseas markets through our network of Cogen Partners and the international operations of the ENER-G Group.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company has made good progress with this strategy this year and it has resulted in a profit before tax of £5,337,162 (2014: £4,185,148) as shown on page 6. No dividend was paid during the year (2014: £nil).

The principal activity of the company was, and remains, the manufacture, supply and maintenance of combined heat and power ("CHP") units. The company's gross profit increased by 14%, compared to the previous year, due to an increased number of small scale units and projects being completed. Although the order book at 31 March 2015 is lower than at the start of the year, a major bespoke project was contracted after year end, reflecting the strength of the project pipeline that will support the business through 2015/16 and beyond.

All areas of the company's current activity are in sectors offering good potential for future growth – supported by UK, EU and worldwide policies for sustainable energy and energy efficiency. We expect to make steady progress in our selected markets with an increasing focus on development of new markets for CHP sales and projects outside the UK, either through direct sales or from the provision of technology and support to the other cogeneration companies within the ENER-G Group and Cogen Partners overseas. The various EU and US initiatives focusing on emissions reduction, energy saving and renewable energy are encouraging new growth in the sector and this will have increasing impact as we build new projects.

KEY PERFORMANCE INDICATORS

The company's key performance indicators are turnover, gross margin, net profitability and order book.

PRINCIPAL RISKS AND UNCERTAINTIES

In common with all businesses, the company is affected by a number of factors, not all of which are wholly within our control.

The regulatory and technology changes in the UK and in our broader operating environment, together with the associated movements in energy prices each have the ability to both stimulate and supress demand for the company's products. The long-term trend is that energy prices will increase and, due to the nature of the UK power generation market, should help to provide opportunities to develop new sales and long-term revenue streams.

An increased focus on the environmental impact of CHP as the UK energy market moves to a clean energy supply system and a desire for zero carbon emissions means that, for CHP to remain relevant in providing low cost, low carbon energy, changes must take place. We are ideally placed to respond to these challenges through our market leading position, awareness of new technologies and our close links with well renowned trade associations and industry bodies.

STRATEGIC REPORT

Over the years there have been significant improvements in all aspects of CHP and its associated technology. A failure to keep pace with technological development would put us at a competitive disadvantage. To ensure we remain at the forefront of innovation our product offering is continuously enhanced by our dedicated product development team.

A number of long term contracts include performance measures and guarantees. In addition to mitigating the risk through careful design, we continuously monitor the operational performance of the system so that any performance issues can be identified and addressed in a timely, cost effective manner by our dedicated Contract Managers.

Approved by the Board of Directors
and signed on behalf of the Board

D Winstanley
Director
25 June 2015

DIRECTORS' REPORT

The directors present their Annual Report and the audited financial statements for the year ended 31 March 2015.

GOING CONCERN

The financial statements have been prepared on the going concern basis for the reasons set out in note 1.

RESEARCH AND DEVELOPMENT

The company continues to carry out research and development of its products with £49,844 of costs incurred in the year (2014: £392,485), none of which was capitalised (2014: £355,728).

DIRECTORS

The directors during the year under review and thereafter, except as noted below, were:

T H Scott
A J Evans
A K Barlow
P Law
C J Hayton
C J Marsland
C S Dixon
C Woodhead
D Winstanley
I A Hopkins

AUDITOR

Each of the persons who is a director at the date of the approval of this report confirms that:

- as far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

D Winstanley
Director
25 June 2015

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENER-G COMBINED POWER LIMITED

We have audited the financial statements of ENER-G Combined Power Limited for the year ended 31 March 2015, which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit 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.

Opinion on other matters 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.

Matters on which we are required to report by exception

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

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

Timothy Edge BSc ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom
25 June 2015

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2015

	Note	2015 £	2014 £
TURNOVER	2	36,508,287	33,832,676
Cost of sales		(25,119,087)	(23,848,578)
GROSS PROFIT		11,389,200	9,984,098
Administrative expenses		(6,474,282)	(6,218,980)
OPERATING PROFIT	3	4,914,918	3,765,118
Net finance income	4	422,244	420,030
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,337,162	4,185,148
Tax on profit on ordinary activities	5	(1,674,301)	(17,405)
PROFIT FOR THE FINANCIAL YEAR	16,17	3,662,861	4,167,743

All transactions relate to continuing operations.

The company has no recognised gains or losses, other than those shown in the profit and loss account, for the current and prior year. Accordingly, a separate statement of total recognised gains and losses has not been presented.

The notes set out on pages 9 to 19 form part of these financial statements.

BALANCE SHEET
As at 31 March 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	8		20,210,560		14,443,444
Intangible assets	9		693,990		799,127
			20,904,550		15,242,571
CURRENT ASSETS					
Stocks	10	4,618,356		4,328,865	
Debtors	11	30,102,779		24,375,187	
Cash at bank and in hand		3,265,415		3,727,783	
		37,986,550		32,431,835	
CREDITORS: amounts falling due within one year	12	(12,675,982)		(13,423,002)	
NET CURRENT ASSETS			25,310,568		19,008,833
TOTAL ASSETS LESS CURRENT LIABILITIES			46,215,118		34,251,404
CREDITORS: amounts falling due after more than one year	12		(20,618,717)		(13,494,143)
PROVISIONS FOR LIABILITIES	13		(4,113,427)		(2,937,148)
NET ASSETS			21,482,974		17,820,113
CAPITAL AND RESERVES					
Called-up share capital	14		5,120,325		5,120,325
Share premium account	15		5,743,845		5,743,845
Profit and loss account	16		10,618,804		6,955,943
SHAREHOLDER'S FUNDS	17		21,482,974		17,820,113

The notes set out on pages 9 to 19 form part of these financial statements.

These financial statements of ENER-G Combined Power Limited, registered number 01874716, were approved and authorised for issue by the Board of Directors on 25 June 2015.

Signed on behalf of the Board of Directors

D Winstanley
Director

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

1. **ACCOUNTING POLICIES**

Basis of accounting

These financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. These have been applied consistently in the current and prior year.

Going concern

The company is a subsidiary of the ENER-G plc group and participates in the group's centralised treasury arrangements, as well as sharing in banking arrangements with other group companies. The parent company has confirmed its intention to support the company for a period of at least twelve months from the date of signing these financial statements, to the extent required, and, having made enquiries of the parent company directors, the company directors have no reason to doubt the parent's ability to do so.

The directors consider that the company has adequate resources to continue operations for the foreseeable future, and so they continue to adopt the going concern basis in the preparation of the annual financial statements.

Turnover

Turnover represents charges to customers for goods and services provided. Where this relates to services provided over an extended period of time, turnover represents the proportion of work performed to date on long-term maintenance contracts, and the income generated to date on long term energy services contracts. It is recognised when the proportion of work is performed as long-term contracts progress, or on delivery in the case of asset sales and spare parts.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value, after making allowance for obsolete and slow moving stock. Cost is determined on a first in, first out, basis and, in the case of work in progress and finished goods, includes all direct expenditure and production overheads, based on normal levels of activity, incurred in bringing products to their present location and condition.

Net realisable value is based on estimated selling price less any further costs of realisation.

Long term contracts - build, own and operate

Where the company enters into contracts to finance, construct and operate assets designed for the provision of energy services, the risks and rewards of plant ownership are assessed. Where these are determined to remain with the company, which is the case in respect of all current contracts, the constructed asset is capitalised within fixed assets at cost and depreciated over the period of the agreement. The related operating income is recognised as it is earned over the period of the agreement.
The amount by which the recorded turnover exceeds payments on account is shown separately within debtors in the balance sheet. Where payments on account exceed turnover the excess is shown separately within creditors in the balance sheet.

Long term contracts - other

Other long term contracts are assessed on a contract by contract basis and reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where appropriate, attributable profits and anticipated losses are recognised. The amount by which the recorded turnover exceeds payments on account is shown separately within debtors in the balance sheet. Where payments on account exceed turnover the excess is shown separately within creditors in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2015

1. **ACCOUNTING POLICIES (continued)**

Non-recourse finance provision

When the company enters into an agreement to sell the rights to a future income stream for a fixed amount the fixed amount received is credited to a deferred income account and released to profit over the period of the future income stream as it is earned. The funder has no right of recourse to the company over this fixed amount received.

Research and development expenditure

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is deferred and amortised over the period during which the group is expected to benefit. Provision is made for any impairment.

Fixed assets

Tangible fixed assets are capitalised at cost. Depreciation is provided on all tangible fixed assets in use at rates calculated to write off the cost of each asset, less estimated residual value and any provision for impairment, over its expected useful life on a straight-line basis, as follows:

Permanent power plant	Life of the operating contract
Plant and machinery	4 - 10 years
Motor vehicles	3 - 4 years
Fixtures and fittings	5 years
Office equipment	4 years
Computer equipment	3 years

Assets under construction are not depreciated.

Leases

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

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more or right to pay less tax. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions denominated in foreign currency are translated into Sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currency are translated into Sterling at the exchange rate ruling at the balance sheet date.

All exchange differences are taken to the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2015

1. ACCOUNTING POLICIES (continued)

Pension costs

The company contributes to a money purchase pension scheme which is operated by an independent pension provider. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No.1 (Revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly-owned and its ultimate parent publishes a consolidated cash flow statement within its group financial statements which are publically available.

2. TURNOVER

The company's turnover relates to its principal activity, which is primarily undertaken in Europe.

3. OPERATING PROFIT

	2015	2014
	£	£
Operating profit is stated after charging/(crediting):		
Depreciation of owned assets	1,355,872	1,230,848
Amortisation of intangible assets	105,137	23,001
Research and development costs	49,844	36,757
Foreign exchange (gain) / loss	(228,982)	72,027
Auditor's remuneration:		
- for the statutory audit of the company	16,000	16,000
- for tax advisory services	3,000	3,300
Operating lease rentals - other	405,817	415,148
Profit on sale of fixed assets	(10,148)	(17,699)

4. NET FINANCE INCOME

	2015	2014
	£	£
Interest receivable:		
Interest receivable on bank deposits	81,127	120,204
Interest receivable on group loans	341,117	308,926
	422,244	429,130
Interest payable:		
Interest payable on bank overdraft	-	(9,100)
Net finance income	422,244	420,030

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2015

5. TAXATION

(a) Analysis of charge in the year

	2015	2014
	£	£
Corporation tax charge for the current year	(110,600)	-
Adjustments in respect of previous years	608,622	-
Current tax charge for the year (note 5b below)	498,022	-
Deferred taxation (see note 13)	1,176,279	17,405
Tax charge on profit on ordinary activities	1,674,301	17,405

(b) Factors affecting the tax charge for the year

	2015	2014
	£	£
A full tax charge on profits on ordinary activities at the standard rate of corporation tax in the UK of 21% (2014: 23%) would be:	1,120,804	962,584
The taxation charge has been increased/(reduced) by:		
Accelerated capital allowances	(1,235,093)	(374,422)
Expenses not deductible for tax purposes	3,689	6,060
Loss carry back claim	-	(594,222)
Adjustments in respect of previous years	608,622	-
Current tax charge for the year (note 5a above)	498,022	-

Finance Act 2013 included provisions to reduce the rate of corporation tax to 21% with effect from 1 April 2014 and 20% from 1 April 2015.

Deferred tax balances are measured at 20% in these financial statements

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2015

6. EMPLOYEE COSTS

The average number of staff, excluding directors, employed by the company during the financial year was:

	2015 No.	2014 No.
Office and management	63	56
Research and development	6	6
Service and maintenance	63	63
Production	22	21
	154	146

	£	£
The aggregate payroll costs during the year were:		
Wages and salaries	5,328,269	4,902,154
Social security costs	601,943	534,734
Other, including pension costs	372,137	326,191
	6,302,349	5,763,079

7. DIRECTORS' EMOLUMENTS

The directors were remunerated by ENER-G plc and ENER-G Holdings plc for their services to several companies within the group. The total remuneration received by the directors for the year was £1,261,181 (2014: £1,135,785) from ENER-G plc and ENER-G Holdings plc, but it is not practicable to allocate this between their services as directors of the various group companies.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2015

8. TANGIBLE FIXED ASSETS

	Plant and Machinery						
	Permanent power plant	Assets Under Construction	Other	Fixtures and fittings	Computer and office equipment	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost							
At 1 April 2014	17,394,854	2,840,865	531,910	286,073	173,511	125,845	21,353,058
Additions	(18,087)	7,014,313	22,827	3,675	102,401	-	7,125,129
Reclassification	9,379,435	(9,379,435)	-	-	-	-	-
Disposals	(1,045)	-	-	(1,096)	(61,756)	(39,184)	(103,081)
At 31 March 2015	26,755,157	475,743	554,737	288,652	214,156	86,661	28,375,106
Depreciation							
At 1 April 2014	5,964,586	-	451,205	253,833	146,973	93,017	6,909,614
Charge for the year	1,256,153	-	42,373	12,670	30,881	13,795	1,355,872
Disposals	(1,045)	-	-	(1,096)	(59,615)	(39,184)	(100,940)
At 31 March 2015	7,219,694	-	493,578	265,407	118,239	67,628	8,164,546
Net book value							
At 31 March 2015	19,535,463	475,743	61,159	23,245	95,917	19,033	20,210,560
At 31 March 2014	11,430,268	2,840,865	80,705	32,240	26,538	32,828	14,443,444

Permanent power plant includes assets with a net book value of £19,535,463 (2014: £11,430,268), which are the subject of a charge to finance companies.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2015

9. INTANGIBLE FIXED ASSETS

	Development expenditure £
Cost	
At 1 April 2014 and 31 March 2015	822,128
Amortisation	
At 1 April 2014	23,001
Amortised in the year	105,137
At 31 March 2015	128,139
Net Book Value	
At 31 March 2015	693,990
At 31 March 2014	799,127

Development costs have been capitalised in accordance with SSAP 13 'Accounting for research and development'.

The development asset relates to the phased development of a new product where production has commenced and the related costs are being written off over the product's expected useful life of 5 years. The production of the second phase development commenced in the year and thus amortisation is now charged on all of the capitalised costs.

10. STOCKS AND WORK-IN-PROGRESS

	2015 £	2014 £
Stores and consumables	2,422,113	1,641,777
Work-in-progress	2,982,206	4,199,432
Payments on account	(785,963)	(1,512,344)
	4,618,356	4,328,865

There is no significant difference between the balance sheet value of the stocks and their replacement cost.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2015

11. DEBTORS

	2015	2014
	£	£
Due within one year:		
Trade debtors	5,289,202	6,555,415
Other debtors	331,187	21,158
Prepayments and accrued income	667,730	892,321
UK corporation tax	-	65,806
Amounts owing by group undertakings of ENER-G plc	23,814,660	16,839,794
Amounts owing by related undertakings	-	693
	30,102,779	24,375,187

12. CREDITORS

	2015	2014
	£	£
Amounts falling due within one year:		
Trade creditors	3,627,452	5,724,952
Payments on account	1,066,085	1,885,450
Other creditors	400,339	374,923
Other taxation and social security costs	777,779	355,014
Accruals and deferred income	6,034,891	4,049,998
Amounts owing to group undertakings of ENER-G plc	769,436	1,032,665
	12,675,982	13,423,002
Amounts falling due after more than one year:		
Deferred income	20,618,717	13,494,143

Income deferred for more than one year relates to the sale of receivables, as it did last year, and is being released over the lives of the related build, own and operate contracts (typically 15 years) in accordance with the company's accounting policy on the provision of non-recourse finance.

Amounts owing to group undertakings of ENER-G plc include £483,969 in respect of group relief (2014: £496,489).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2015

13. PROVISIONS FOR LIABILITIES

Deferred tax	2015 £	2014 £
At 1 April	2,937,148	2,919,745
Origination and reversal of timing difference	1,235,093	374,422
Effect of changes in tax rate	(58,814)	(440,573)
Adjustments in respect of prior years	-	83,554
Balance at 31 March 31 March 2015	4,113,427	2,937,148

The deferred taxation provision consists of:

	2015 £	2014 £
Accelerated capital allowances	3,828,095	2,651,816
Rolled over gains	285,332	285,332
	4,113,427	2,937,148

14. CALLED-UP SHARE CAPITAL

	2015 £	2014 £
Allotted, called-up and fully paid		
5,120,325 ordinary shares of £1 each	5,120,325	5,120,325

15. SHARE PREMIUM ACCOUNT

	£
At 1 April 2014 and 31 March 2015	5,743,845

16. PROFIT AND LOSS ACCOUNT

	2015 £	2014 £
As at 1 April	6,955,943	2,788,200
Profit for the year	3,662,861	4,167,743
As at 31 March	10,618,804	6,955,943

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2015

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2015	2014
	£	£
Shareholder's funds at 1 April	17,820,113	13,652,370
Profit for the year	3,662,861	4,167,743
Shareholder's funds at 31 March	21,482,974	17,820,113

18. DIVIDENDS

During the current and prior year the company neither declared nor paid a dividend.

19. OPERATING LEASE COMMITMENTS

The following annual payments are committed in respect of plant and machinery held under operating leases:

	2015	2014
	£	£
Leases expiring next year	66,903	38,889
Leases expiring between two and five years	214,973	294,414
Leases expiring after five years	53,000	53,000
	334,876	386,303

The operating lease commitment include commitments with regard to vehicles used by other group companies, for which the lease costs have been recharged at cost to the respective group companies.

20. CONTINGENT LIABILITIES

Under the banking arrangements of the ENER-G Power Limited sub-group, each participating UK group company jointly and severally cross-guarantees the liabilities of all other participating UK group companies. The company is a participating member under the banking arrangements.

At the balance sheet date the maximum potential liability cross guaranteed was £14,761,605 (2014: £15,268,000).

21. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for eligible employees. The charge for the year is detailed in note 6.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2015

22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's ultimate parent company is ENER-G plc, a company incorporated in Great Britain and registered in England and Wales. The company's immediate parent company is ENER-G Power Limited, a company incorporated in Great Britain and registered in England and Wales. The ultimate group, which is the largest group in which the results are consolidated, is headed by ENER-G plc. The smallest group in which the results are consolidated is headed by ENER-G Power Limited. ENER-G plc is ultimately owned by a family trust of Mr Tim Scott, which is considered to be the ultimate controlling party.

Group financial statements for ENER-G plc and ENER-G Power Limited are available from Companies House, Crown Way, Cardiff, CF4 3UZ.

23. RELATED PARTY TRANSACTIONS

The company has claimed the exemption contained in FRS 8, which is available to wholly-owned subsidiaries, not to disclose related party transactions with other members of the group.

The company sold goods and services at arm's length to Biogas Technology Limited, a related party by virtue of being under the common control of Mr Tim Scott, or a family trust, amounting to £nil (2014: £914).

The company sold goods and services at arm's length to ENERGOS Limited, a related party by virtue of being under the common control of Mr Tim Scott, or a family trust, amounting to £270 (2014: £3,630), and made purchases of goods and services at arm's length of £nil (2014: £1,512).

The net balance with ENERGOS Limited at 31 March 2015 was £nil (2014: £693 receivable).