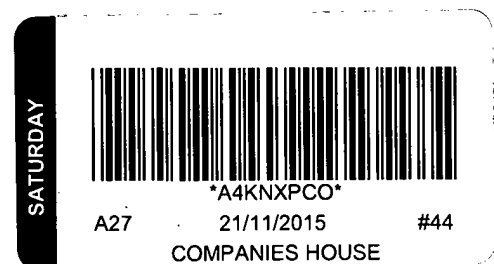


**GROUND SOURCE SOLUTIONS LIMITED**  
(formerly ENER-G Ground Source Solutions Limited)

**Annual Report and Financial Statements**  
**For the year ended 31 March 2015**



**GROUND SOURCE SOLUTIONS LIMITED**  
(formerly ENER-G Ground Source Solutions Limited)

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

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**GROUND SOURCE SOLUTIONS LIMITED**  
(formerly ENER-G Ground Source Solutions Limited)

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

A J Evans  
P S Burley

**COMPANY SECRETARY**

R Wardner

**REGISTERED OFFICE**

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

**BANKERS**

Barclays Bank plc  
3 Hardman Street  
Manchester  
M3 3AX

**SOLICITORS**

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

**AUDITOR**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Manchester  
United Kingdom

**GROUND SOURCE SOLUTIONS LIMITED**  
(formerly ENER-G Ground Source Solutions Limited)

**DIRECTORS' REPORT**

The directors present their Annual Report and the audited financial statements for the year ended 31 March 2015. This Directors' Report has been prepared, and the Strategic Report exemption taken, in accordance with the special provisions relating to small companies under section 417(1) of the Companies Act 2006.

**PRINCIPAL ACTIVITIES**

The principal activity of the company, historically, has been the design, supply, and installation of heat pump and solar thermal systems. As noted below, the company's activities are now being wound down and are expected to terminate in 2015/16.

**REVIEW OF BUSINESS**

The loss after tax for the year amounted to £87,515 (2014: loss £733,705) as shown on page 6. Net liabilities have increased from £3,480,990 to £3,568,505 as a result of the loss. The directors cannot recommend the payment of a dividend (2014: same).

The company changed its name on 11 December 2014 from ENER-G Ground Source Solutions Limited to Ground Source Solutions Limited.

**GOING CONCERN**

Since the directors have decided to wind down the activities of the company, the financial statements have been prepared on a basis other than going concern. Full provision for redundancies and other closure costs has been made where necessary.

The directors have considered the carrying value of the assets and liabilities of the company, and are satisfied that no material adjustments are required to the balance sheet as a result of adopting a basis other than going concern.

**DIRECTORS**

The directors of the company during the year under review and to the date of this report were:

A J Evans  
P S Burley

**AUDITOR**

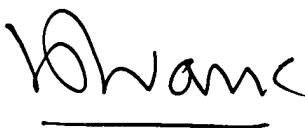
Each of the persons who is a director at the date of the approval of this report confirms that:

- 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 ought to have taken as a director in order to make himself 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



A J Evans  
Director  
20 November 2015

**GROUND SOURCE SOLUTIONS LIMITED**  
(formerly ENER-G Ground Source Solutions Limited)

**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; 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  
GROUND SOURCE SOLUTIONS LIMITED  
(formerly ENER-G Ground Source Solutions Limited)**

We have audited the financial statements of Ground Source Solutions 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 18. 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Emphasis of matter – Financial statements prepared other than on a going concern basis**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

**Opinion on other matters prescribed by the Companies Act 2006**

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
GROUND SOURCE SOLUTIONS LIMITED**  
(formerly ENER-G Ground Source Solutions Limited)

**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; or
- the directors were not entitled to take advantage of the small companies exemption from preparing the Strategic Report or in preparing the Directors' Report.



Timothy Edge (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Manchester, United Kingdom  
20 November 2015

**GROUND SOURCE SOLUTIONS LIMITED**  
(formerly ENER-G Ground Source Solutions Limited)

**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 March 2015**

	Note	2015 £	2014 £
<b>TURNOVER</b>	2	141,328	1,013,492
Cost of sales		(180,221)	(1,197,321)
<b>GROSS LOSS</b>		(38,893)	(183,829)
Administrative expenses		(141,992)	(472,378)
<b>OPERATING LOSS</b>	3	(180,885)	(656,207)
Gains/(losses) on the termination of an operation	6	58,861	(298,211)
Interest payable and similar charges	7	-	(359)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(122,024)	(954,777)
Tax on loss on ordinary activities	8	34,509	221,072
<b>LOSS FOR THE FINANCIAL YEAR</b>	15,16	(87,515)	(733,705)

The activities of the company are classed as discontinued and ceased with the installation of the last project at the start of 2015, with a full cessation of post commissioning on-site operational activities and remaining administrative operations anticipated in late 2015.

The company has no recognised gains or losses other than the loss for the current year and prior year as set out above. Accordingly, a separate statement of total recognised gains and losses has not been presented.

The notes on pages 8 to 13 form part of these financial statements.

**GROUND SOURCE SOLUTIONS LIMITED**  
(formerly ENER-G Ground Source Solutions Limited)

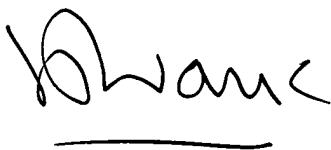
**BALANCE SHEET**  
**As at 31 March 2015**

	Note	£	2015 £	£	2014 £
<b>CURRENT ASSETS</b>					
Debtors	9	79,302		519,113	
Cash at bank and in hand		58,028		134,898	
		<u>137,330</u>		<u>654,011</u>	
<b>CREDITORS: amounts falling due within one year</b>					
	11	<u>(3,705,835)</u>		<u>(3,978,215)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(3,568,505)</u>		<u>(3,324,204)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(3,568,505)</u>		<u>(3,324,204)</u>
<b>PROVISIONS FOR LIABILITIES</b>					
	12		<u>-</u>		<u>(156,786)</u>
<b>NET LIABILITIES</b>			<u>(3,568,505)</u>		<u>(3,480,990)</u>
<b>CAPITAL AND RESERVES</b>					
Called-up share capital	14		2		2
Profit and loss account	15		<u>(3,568,507)</u>		<u>(3,480,992)</u>
<b>SHAREHOLDERS' DEFICIT</b>	16		<u>(3,568,505)</u>		<u>(3,480,990)</u>

The notes on pages 8 to 13 form part of these financial statements.

These financial statements of Ground Source Solutions Limited (registered number 04821916) were approved by the Board of Directors and authorised for issue on 20 November 2015.

Signed on behalf of the Board of Directors



A J Evans  
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**

As noted in the Directors' Report, a decision has been taken to wind down the activities of this company and as a consequence the directors are of the opinion that the going concern basis is no longer appropriate in preparing these financial statements. This has had no impact on the carrying value of assets and liabilities in the company.

**Turnover**

Turnover represents amounts assessed on a contract-by-contract basis, exclusive of Value Added Tax, to reflect in the profit and loss account the extent to which the right to consideration has been obtained as contract activity progresses.

**Long term contracts**

These 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.

**Leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

**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 receive 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.

Profits and losses on exchange arising in the normal course of trading and realised exchange differences arising on the conversion of foreign currency borrowings are dealt with in the profit and loss account.

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No. 1 (revised) "Cash Flow Statements" 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 that are publicly available.

**GROUND SOURCE SOLUTIONS LIMITED**  
(formerly ENER-G Ground Source Solutions Limited)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 March 2015**

**2. TURNOVER**

The company's turnover relates to its principal activity, which is undertaken in the United Kingdom.

**3. OPERATING LOSS**

Operating loss is stated after charging:

	2015 £	2014 £
Profit on disposal of fixed assets	-	64,714
Depreciation of owned fixed assets	-	41,523
Operating lease rentals – Land and Buildings	-	49,779
Fees payable to the company's auditor		
- for the audit of the company's annual financial statements	2,000	5,200
	<u>2,000</u>	<u>5,200</u>

There were no non-audit fees in either the current or the prior year.

**4. STAFF COSTS**

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

	2015 No.	2014 No.
Production	-	6
Office and management	1	4
	<u>1</u>	<u>10</u>

The aggregate payroll costs of the above were:

	£	£
Wages and salaries	38,047	191,574
Social security costs	5,416	26,485
	<u>43,463</u>	<u>218,059</u>

**5. DIRECTORS' REMUNERATION**

The directors were remunerated by ENER-G plc and ENER-G Holdings plc for their services to several companies within the group, including this company. The total remuneration received by the directors for the year was £405,743 (2014: £534,881), but it is not practicable to allocate this between their services as executives of the various group companies.

**6. GAINS/(LOSSES) ON THE TERMINATION OF AN OPERATION**

In the prior year, losses on the termination of an operation of £298,211 were recognised. These exceptional costs created a tax credit of £68,589, surrendered to other group companies by way of group relief in exchange for payment.

£141,425 of the provision created was utilised in the prior year. The disposition of the remaining £156,786, including the release of £58,861 of unutilised provision, is the subject of Note 12.

**GROUND SOURCE SOLUTIONS LIMITED**  
(formerly ENER-G Ground Source Solutions Limited)

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

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Finance charges	-	359

**8. TAXATION ON ORDINARY ACTIVITIES**

**(a) Analysis of credit in the year:**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Current tax:		
UK corporation tax receivable	(38,151)	(192,436)
Over provision in prior year	(8,288)	(11,855)
Current tax credit for the year (note 8b)	(46,439)	(204,291)
Deferred taxation (see note 14)	11,930	(16,781)
Tax on loss on ordinary activities	(34,509)	(221,072)

**(b) Factors affecting current tax credit:**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before tax	(122,024)	(954,777)
A full tax credit on the loss on ordinary activities at the standard rate of corporation tax in the UK of 21% (2014: 23%) would be:	(25,625)	(219,599)
<i>Taxation credit has been (increased)/reduced by:</i>		
Expenses not deductible for tax purposes	-	6,253
Capital allowances for year less than depreciation	-	4,851
Other short term timing differences	(12,526)	13,719
Income not assessable for tax purposes	-	(5,948)
Adjustments to tax charge in respect of previous periods	(8,288)	(11,855)
Total current tax (note 8a)	(46,439)	(204,291)

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.

**GROUND SOURCE SOLUTIONS LIMITED**  
(formerly ENER-G Ground Source Solutions Limited)

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

**9. DEBTORS**

<b>Amounts falling due within one year:</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade debtors	40,566	181,695
Amounts recoverable on contracts	38,736	113,259
Prepayments and accrued income	-	7,938
Deferred tax debtor (note 10)	-	11,930
Amounts owed by group undertakings	-	204,291
	<u>79,302</u>	<u>519,113</u>

Amounts owed by group undertakings includes £nil (2014: £204,291) for group relief surrendered.

**10. DEFERRED TAXATION**

The movement in deferred taxation during the year was:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Provision brought forward	11,930	(4,851)
Origination and reversal of timing difference	(12,526)	18,570
Effect of changes in tax rate	596	(1,789)
	<u>-</u>	<u>11,930</u>
Asset carried forward	-	11,930

The deferred tax asset is being recognised as the group expects to have sufficient future taxable profits to allow the asset to be utilised, either by the company itself or by other group companies (by way of group relief).

The deferred taxation asset consists of the tax effect of timing differences in respect of:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Short term timing differences	<u>-</u>	<u>11,930</u>

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.

To the extent that the deferred tax reverses before 1 April 2015 then the impact on the net deferred tax asset will be reduced.

**GROUND SOURCE SOLUTIONS LIMITED**  
(formerly ENER-G Ground Source Solutions Limited)

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

**11. CREDITORS**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Trade creditors	7,924	116,854
Other creditors including taxation and social security:		
PAYE and social security	-	2,699
VAT	2,236	20,051
Other creditors	1,474	5,680
Accruals and deferred income	2,000	-
Amounts owed to group undertakings	3,692,201	3,832,931
	<u>3,705,835</u>	<u>3,978,215</u>

**12. PROVISIONS FOR LIABILITIES AND CHARGES**

	<b>£</b>
At 1 April 2014	156,786
Utilised in the year	(97,925)
Released in the year	(58,861)
	<u>-</u>
At 31 March 2015	<u>-</u>

Provisions are in relation to winding down costs which were provided in the prior year.

**13. COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2015, the company had annual commitments under non-cancellable operating leases as set out below.

	<b>Land and buildings</b>
	<b>2015</b>
	<b>£</b>
Operating leases which expire:	
Within 2 to 5 years	49,691
	<u>-</u>

**14. SHARE CAPITAL**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called-up and fully paid</b>		
20 ordinary shares of 10p each	2	2
	<u>2</u>	<u>2</u>

**GROUND SOURCE SOLUTIONS LIMITED**  
(formerly ENER-G Ground Source Solutions Limited)

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

**15. PROFIT AND LOSS ACCOUNT**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Balance brought forward	(3,480,992)	(2,747,287)
Loss for the financial year	(87,515)	(733,705)
	<hr/>	<hr/>
Balance carried forward	(3,568,507)	(3,480,992)
	<hr/>	<hr/>

**16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Opening shareholders' deficit	(3,480,990)	(2,747,285)
Loss for the financial year	(87,515)	(733,705)
	<hr/>	<hr/>
Closing shareholders' deficit	(3,568,505)	(3,480,990)
	<hr/>	<hr/>

**17. RELATED PARTY TRANSACTIONS**

During the year the ENER-G plc Group settled £250,730 in relation to Group Relief; £204,291 of which was included within Amounts owed by group undertakings at 31 March 2014 (Note 9).

During the year the company's direct parent undertaking, ENER-G Holdings plc advanced loans to the company totalling £110,000 and was repaid £250,730 of Group Relief, leaving a closing loan balance of £3,692,201 included within Amounts owed to group undertakings (Note 11).

As at 31 March 2015 the company had no purchase ledger or sales ledger balances outstanding with other ENER-G plc group undertakings (2014: nil).

During the period, the company incurred charges for goods and services and recharges of costs from ENER-G plc group undertakings amounting to £65,124.

**18. ULTIMATE PARENT COMPANY**

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 Holdings plc, 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 Holdings plc. 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 are available from Companies Registration Office, Crown Way, Cardiff, CF4 3UZ.