

Group Strategic Report, Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 March 2014
for
Gentec Energy Plc and subsidiaries

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Gentec Energy Plc and subsidiaries

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for the Year Ended 31 March 2014**

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Gentec Energy Plc and subsidiaries

Company Information
for the Year Ended 31 March 2014

DIRECTORS:

Mrs A Khilnani
C R Walker
R Leeson

SECRETARY:

D Khilnani

REGISTERED OFFICE:

Unit 7, Chancerygate Close
Stonefield Way
South Ruislip
Middlesex
HA4 0JS

REGISTERED NUMBER:

03236581 (England and Wales)

AUDITORS:

Samuels LLP
Chartered Accountants
Statutory Auditors
3 Locks Yard
High Street
Sevenoaks
Kent
TN13 1LT

Gentec Energy Plc and subsidiaries

Group Strategic Report for the Year Ended 31 March 2014

The directors present their strategic report of the company and the group for the year ended 31 March 2014.

BUSINESS MODEL

The group delivers competent execution of complex power generation projects involving design and engineering, supply of plant and equipment and project management. In addition a number of power plants are owned by the group where the revenue stream is derived from the sale of energy on a utility basis to large corporate clients on long term contracts.

The scope of these activities is on a worldwide basis with a focus on Sub Saharan Africa and the group has established capabilities to deliver these services in a number of operating locations around the world by establishing strategic alliances.

REVIEW OF BUSINESS

The demand for power projects continues to remain strong and the Company's operations are focused to opportunities in Africa.

The project pipeline remains robust with clear visibility of a healthy order book going forward. Whilst traditionally the Cummins Cogeneration business has been primarily in Nigeria there now is an active program to establish projects in other Sub Saharan countries.

During the year the Company secured and commenced construction of its first biomass power plant at Baringo in Kenya based on gasification technology. The project is expected to be commissioned by December 2014 and will lead to a number of new opportunities in Sub Saharan Africa.

The year has also been a milestone with the installed capacity of group owned power plants crossing the 100 mw threshold for the first time. The group is on a growth trajectory and based on the strength of the strategic alliances entered into the Directors view the next 5 years with optimism.

POSITION OF BUSINESS

At the year end, total assets fell by £27,357,739 from previous year to £68,049,011. Current assets decreased from £52,340,642 to £42,159,576.

With respect to current assets, cash at bank and in hand decreased by £6,313,735 from the previous year to £5,987,650. Meanwhile debtors dropped by £1,523,683 to £32,431,602 and stocks dropped to £3,740,324.

Fixed assets, including Tangible and intangible assets fell from £20,325,173 (2013) to £6,219,920 (2014) whereas Investments fell by £3,071,420 to £19,669,515.

Total Current liabilities stood at £37,597,653 at the year end compared to £48,041,038(2013).

Net assets fell to £5,196,559 from previous year amount of £15,209,903.

PRINCIPAL RISKS AND UNCERTAINTIES

The key business risks affecting the Company are set out below:

The foreign exchange markets remain volatile and we have seen significant shifts in the exchange rate during the year with the US Dollar. However the policy of the Company is to substantially mitigate this risk by purchasing and selling in the same currency and selective use of foreign exchange options.

Risks in the European cogeneration business are driven by the spark spread in Europe and the fact that the off-take contracts are two years or shorter. Achieving scale requires considerable effort as one site may only add 1-2 MWs per installation. This however does provide portfolio risk mitigation through basic asset diversification.

FUTURE DEVELOPMENTS

The company is continuing to develop its capabilities in respect of construction of world class power projects based on natural gas. Given the significant potential growth in the demand for clean energy coupled with the opportunities in Sub Saharan Africa the Board is optimistic for the future.

The group is focusing on natural gas power projects and on Biomass projects based on gasification technologies, and through this specialisation expects significant new business in new markets.

ON BEHALF OF THE BOARD:



.....
Mrs A Khilnani - Director

Date: 30th September 2014

Gentec Energy Plc and subsidiaries

Report of the Directors **for the Year Ended 31 March 2014**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2014.

PRINCIPAL ACTIVITY

The provision of equipment, know-how, technical support services, energy sales and consultancy to the clean and renewable energy industry.

DIVIDENDS

The directors do not recommend the payment of a dividend

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in note 25 to these financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2013 to the date of this report.

Mrs A Khilnani
C R Walker
R Leeson

Other changes in directors holding office are as follows:

D Khilnani - resigned 31 March 2014

The Holding company directors have not maintained effective control over the Cummins Power Generation (Nigeria) Limited (CPGNL) sub-group during the year. For this reason, the Group Board have decided that the CPGNL sub-group should not be consolidated into this year's consolidated accounts but are treated as associates. Since there has been no actual disposal or discontinuance of the sub-groups operating activities, the board have decided not to adjust the prior year comparative figures which included the sub-groups consolidated results last year, as in our opinion the costs to do so would outweigh the commercial benefits of doing so.

Similarly, Voltec Engineering UK Limited has not been consolidated for the same reasons due to litigation between the shareholders which has meant no effective control over the company by Gentec Energy Plc. It has in any case ceased to actively trade during the year and is treated as an associate this year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Gentec Energy Plc and subsidiaries

Report of the Directors
for the Year Ended 31 March 2014

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

CHARITABLE DONATION

Cummins Cogeneration Limited donated £13,000 to Save the Children.

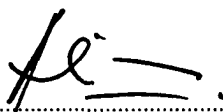
PAYMENTS TO SUPPLIERS

Gentec Energy Plc and its subsidiaries keep all payments to suppliers current.

AUDITORS

The auditors, Samuels LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
Mrs A Khilnafi - Director

Date: 30th September 2014

**Report of the Independent Auditors to the Members of
Gentec Energy Plc and subsidiaries**

We have audited the financial statements of Gentec Energy Plc and subsidiaries for the year ended 31 March 2014 on pages seven to twenty four. 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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors 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 group's and of the parent company's affairs as at 31 March 2014 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

**Report of the Independent Auditors to the Members of
Gentec Energy Plc and subsidiaries**

Matters on which we are required to report by exception

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

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

Sam Narula FCA (Senior Statutory Auditor)
for and on behalf of Samuels LLP
Chartered Accountants
Statutory Auditors
3 Locks Yard
High Street
Sevenoaks
Kent
TN13 1LT

SAMUELS LLP

Date: 30th September 2014

Gentec Energy Plc and subsidiaries

Consolidated Profit and Loss Account
for the Year Ended 31 March 2014

	Notes	31.3.14 £	31.3.13 £
TURNOVER	2	26,283,198	29,854,542
Cost of sales		<u>21,749,165</u>	<u>26,841,841</u>
GROSS PROFIT		4,534,033	3,012,701
Administrative expenses		<u>3,725,248</u>	<u>2,843,042</u>
		808,785	169,659
Other operating income		<u>29,246</u>	<u>3,339</u>
GROUP OPERATING PROFIT/(LOSS)	4	838,031	172,998
Share of operating (loss)/profit in Associates		(1,374,530)	302,382
Interest receivable and similar income		<u>309,929</u>	<u>54,657</u>
		(226,570)	530,037
Amounts written off investments	5	<u>(148,452)</u>	<u>100,135</u>
		(78,118)	429,902
Interest payable and similar charges	6	<u>573,744</u>	<u>398,598</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(651,862)	31,304
Tax on (loss)/profit on ordinary activities	7	<u>371,312</u>	<u>749,016</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(1,023,174)	(717,712)
Minority interest		<u>(924,270)</u>	<u>(1,126,934)</u>
(DEFICIT)/RETAINED PROFIT FOR THE GROUP CARRIED FORWARD		<u>(98,904)</u>	<u>409,222</u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year.

The notes form part of these financial statements

Gentec Energy Plc and subsidiaries (Registered number: 03236581)

**Consolidated Balance Sheet
31 March 2014**

	Notes	31.3.14		31.3.13	
		£	£	£	£
FIXED ASSETS					
Intangible assets	10		-		251,930
Tangible assets	11		6,219,920		20,073,243
Investments	12		<u>19,669,515</u>		<u>22,740,935</u>
			25,889,435		43,066,108
CURRENT ASSETS					
Stocks	13	3,740,324		6,083,972	
Debtors	14	32,431,602		33,955,285	
Cash at bank and in hand		<u>5,987,650</u>		<u>12,301,385</u>	
			42,159,576		52,340,642
CREDITORS					
Amounts falling due within one year	15	<u>37,597,653</u>		<u>48,041,038</u>	
NET CURRENT ASSETS			<u>4,561,923</u>		<u>4,299,604</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			30,451,358		47,365,712
CREDITORS					
Amounts falling due after more than one year	16		(5,869,837)		(13,391,410)
PROVISIONS FOR LIABILITIES	18		(9,515,539)		(11,639,797)
MINORITY INTERESTS	19		<u>(9,869,423)</u>		<u>(7,124,602)</u>
NET ASSETS			<u>5,196,559</u>		<u>15,209,903</u>
CAPITAL AND RESERVES					
Called up share capital	20		56,373		56,373
Share premium	21		2,430,985		12,345,425
Revaluation reserve	21		73,689		73,689
Profit and loss account	21		<u>2,635,512</u>		<u>2,734,416</u>
SHAREHOLDERS' FUNDS	27		<u>5,196,559</u>		<u>15,209,903</u>

The financial statements were approved by the Board of Directors on 30th September 2014 and were signed on its behalf by:



.....
Mrs A Khilnani - Director

The notes form part of these financial statements

Gentec Energy Plc and subsidiaries (Registered number: 03236581)

Company Balance Sheet
31 March 2014

	Notes	31.3.14		31.3.13	
		£	£	£	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		886,204		916,326
Investments	12		<u>16,249,301</u>		<u>11,538,712</u>
			17,135,505		12,455,038
CURRENT ASSETS					
Stocks	13	2,092,739		629,990	
Debtors	14	31,004,685		18,328,421	
Cash at bank and in hand		<u>4,273,976</u>		<u>8,222,055</u>	
		37,371,400		27,180,466	
CREDITORS					
Amounts falling due within one year	15	<u>38,671,700</u>		<u>22,719,816</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(1,300,300)</u>		<u>4,460,650</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			15,835,205		16,915,688
PROVISIONS FOR LIABILITIES	18		<u>9,531,539</u>		<u>11,549,578</u>
NET ASSETS			<u>6,303,666</u>		<u>5,366,110</u>
CAPITAL AND RESERVES					
Called up share capital	20		56,373		56,373
Share premium	21		904,574		904,574
Revaluation reserve	21		73,689		73,689
Profit and loss account	21		<u>5,269,030</u>		<u>4,331,474</u>
SHAREHOLDERS' FUNDS	27		<u>6,303,666</u>		<u>5,366,110</u>

The financial statements were approved by the Board of Directors on 30th September 2014 and were signed on its behalf by:



.....
Mrs A Khilnani - Director

The notes form part of these financial statements

Gentec Energy Plc and subsidiaries

Consolidated Cash Flow Statement
for the Year Ended 31 March 2014

	Notes	31.3.14		31.3.13	
		£	£	£	£
Net cash (outflow)/inflow from operating activities	1		(19,868,381)		11,810,703
Returns on investments and servicing of finance	2		(263,815)		54,657
Taxation			(600,410)		(497,965)
Capital expenditure and financial investment	2		<u>7,209,461</u>		<u>(25,660,177)</u>
			(13,523,145)		(14,292,782)
Financing	2		<u>7,209,410</u>		<u>13,761,016</u>
Decrease in cash in the period			<u>(6,313,735)</u>		<u>(531,766)</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Decrease in cash in the period			(6,313,735)		(531,766)
Cash outflow/(inflow) from decrease/(increase) in debt			<u>11,875,074</u>		<u>(13,886,553)</u>
Change in net debt resulting from cash flows			<u>5,561,339</u>		<u>(14,418,319)</u>
Movement in net debt in the period			5,561,339		(14,418,319)
Net (debt)/funds at 1 April			<u>(4,028,099)</u>		<u>10,390,220</u>
Net funds/(debt) at 31 March			<u>1,533,240</u>		<u>(4,028,099)</u>

The notes form part of these financial statements

Gentec Energy Plc and subsidiaries

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2014

1. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	31.3.14	31.3.13
	£	£
Operating profit/(loss)	838,031	(225,600)
Depreciation charges	550,016	532,768
Change in warranty provision	(2,015,538)	(2,015,538)
Share of operating profit in Associates	(1,374,530)	302,382
Amount written off investment	(148,452)	100,135
Decrease/(increase) in stocks	2,343,648	(2,405,469)
Decrease/(increase) in debtors	1,523,683	(21,396,417)
(Decrease)/increase in creditors	<u>(21,585,239)</u>	<u>36,918,442</u>
Net cash (outflow)/inflow from operating activities	<u>(19,868,381)</u>	<u>11,810,703</u>

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

	31.3.14	31.3.13
	£	£
Returns on investments and servicing of finance		
Interest received	309,929	54,657
Interest paid	<u>(573,744)</u>	<u>-</u>
Net cash (outflow)/inflow for returns on investments and servicing of finance	<u>(263,815)</u>	<u>54,657</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,049,742)	(17,974,002)
Purchase/Reduction of investments	8,259,203	(10,567,829)
Sale of tangible fixed assets	<u>-</u>	<u>2,881,654</u>
Net cash outflow for capital expenditure and financial investment	<u>7,209,461</u>	<u>(25,660,177)</u>
Financing		
New loans in year	7,085,988	13,886,553
Amount introduced by directors	163,958	72,736
Amount withdrawn by directors	<u>(40,536)</u>	<u>(198,273)</u>
Net cash inflow from financing	<u>7,209,410</u>	<u>13,761,016</u>

The notes form part of these financial statements

Gentec Energy Plc and subsidiaries

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2014

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.13 £	Cash flow £	At 31.3.14 £
Net cash:			
Cash at bank and in hand	<u>12,301,385</u>	<u>(6,313,735)</u>	<u>5,987,650</u>
	<u>12,301,385</u>	<u>(6,313,735)</u>	<u>5,987,650</u>
Debt:			
Debts falling due within one year	(2,938,074)	(834,282)	(3,772,356)
Debts falling due after one year	<u>(13,391,410)</u>	<u>12,709,356</u>	<u>(682,054)</u>
	<u>(16,329,484)</u>	<u>11,875,074</u>	<u>(4,454,410)</u>
Total	<u>(4,028,099)</u>	<u>5,561,339</u>	<u>1,533,240</u>

Gentec Energy Plc and subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014

2. TURNOVER

The turnover and loss (2013 - profit) before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market for the year ended 31 March 2014 is given below:

	31.3.14	31.3.13
	£	£
Africa / Middle East	21,396,400	24,943,063
Europe	4,221,400	3,459,134
Far East / Asia	<u>665,398</u>	<u>1,452,345</u>
	<u>26,283,198</u>	<u>29,854,542</u>

3. STAFF COSTS

	31.3.14	31.3.13
	£	£
Wages and salaries	1,326,129	843,974
Social security costs	42,088	79,229
Other pension costs	<u>142,641</u>	<u>176,922</u>
	<u>1,510,858</u>	<u>1,100,125</u>

The average monthly number of employees during the year was as follows:

	31.3.14	31.3.13
Sales and administration	16	14
Engineering and design	32	27
Direct Operations Staff	<u>123</u>	<u>645</u>
	<u>171</u>	<u>686</u>

4. OPERATING (LOSS)/PROFIT

The operating loss (2013 - operating profit) is stated after charging:

	31.3.14	31.3.13
	£	£
Depreciation - owned assets	531,723	490,777
Goodwill amortisation	-	41,988
Auditors' remuneration	<u>92,763</u>	<u>102,198</u>
	<u>262,610</u>	<u>364,654</u>
Directors' remuneration	79,280	130,156
Directors' pension contributions to money purchase schemes	<u>79,280</u>	<u>130,156</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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Gentec Energy Plc and subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014

4. OPERATING (LOSS)/PROFIT - continued

Information regarding the highest paid director is as follows:

	31.3.14	31.3.13
	£	£
As at 31 March 2014	<u>39,640</u>	<u>65,078</u>

5. AMOUNTS WRITTEN OFF INVESTMENTS

	31.3.14	31.3.13
	£	£
Reduction in Investment value	<u>(148,452)</u>	<u>100,135</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	31.3.14	31.3.13
	£	£
Interest payable	<u>573,744</u>	<u>398,598</u>

7. TAXATION

Analysis of the tax charge

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

	31.3.14	31.3.13
	£	£
Current tax:		
UK corporation tax	408,744	300,181
Non UK Corporation Tax	<u>-</u>	<u>451,835</u>
Total current tax	408,744	752,016
Deferred tax	<u>(37,432)</u>	<u>(3,000)</u>
Tax on (loss)/profit on ordinary activities	<u>371,312</u>	<u>749,016</u>

8. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £937,556 (2013 - £959,815).

9. DIVIDENDS

	31.3.14	31.3.13
	£	£
Ordinary shares of £1 each		
Interim	<u>-</u>	<u>78,431</u>

10. INTANGIBLE FIXED ASSETS

There were no intangible fixed assets in the current year.

Gentec Energy Plc and subsidiaries

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014**

11. **TANGIBLE FIXED ASSETS**

Group	Freehold property & land £	Long leasehold £	Improvements to property £	Plant and machinery £
COST OR VALUATION				
At 1 April 2013	999,386	1,296,551	244,992	18,035,604
Additions	11,748	92,070	-	892,773
Consolidation adjustment	<u>(827,199)</u>	<u>(452,700)</u>	<u>(25,508)</u>	<u>(12,704,868)</u>
At 31 March 2014	<u>183,935</u>	<u>935,921</u>	<u>219,484</u>	<u>6,223,509</u>
DEPRECIATION				
At 1 April 2013	701	63,914	142,190	773,655
Consolidation adjustment	(701)	-	(23,168)	(51,117)
Charge for year	<u>-</u>	<u>10,280</u>	<u>10,046</u>	<u>492,685</u>
At 31 March 2014	<u>-</u>	<u>74,194</u>	<u>129,068</u>	<u>1,215,223</u>
NET BOOK VALUE				
At 31 March 2014	<u>183,935</u>	<u>861,727</u>	<u>90,416</u>	<u>5,008,286</u>
At 31 March 2013	<u>998,685</u>	<u>1,232,637</u>	<u>102,802</u>	<u>17,261,949</u>
	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION				
At 1 April 2013	354,537	290,325	35,603	21,256,998
Additions	-	53,151	-	1,049,742
Consolidation adjustment	<u>(178,947)</u>	<u>(272,794)</u>	<u>(21,665)</u>	<u>(14,483,681)</u>
At 31 March 2014	<u>175,590</u>	<u>70,682</u>	<u>13,938</u>	<u>7,823,059</u>
DEPRECIATION				
At 1 April 2013	152,320	36,000	14,975	1,183,755
Consolidation adjustment	(8,619)	(27,697)	(1,037)	(112,339)
Charge for year	<u>10,523</u>	<u>8,189</u>	<u>-</u>	<u>531,723</u>
At 31 March 2014	<u>154,224</u>	<u>16,492</u>	<u>13,938</u>	<u>1,603,139</u>
NET BOOK VALUE				
At 31 March 2014	<u>21,366</u>	<u>54,190</u>	<u>-</u>	<u>6,219,920</u>
At 31 March 2013	<u>202,217</u>	<u>254,325</u>	<u>20,628</u>	<u>20,073,243</u>

The consolidation adjustment was due to a change in the basis of consolidation in the current year as the African operations and Voltec Engineering UK Limited were not included in the consolidation accounts as explained in the directors' report

Cost or valuation at 31 March 2014 is represented by:

	Freehold Property & land £	Long leasehold £	Improvements to property £	Plant and machinery £
Cost in 2014	<u>183,935</u>	<u>935,921</u>	<u>219,484</u>	<u>6,223,509</u>

Gentec Energy Plc and subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014

11. **TANGIBLE FIXED ASSETS - continued**

Group

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Cost in 2014	<u>175,590</u>	<u>70,682</u>	<u>13,938</u>	<u>7,823,059</u>

Company

	Long leasehold £	Improvements to property £	Plant and machinery £
COST OR VALUATION			
At 1 April 2013 and 31 March 2014	<u>843,851</u>	<u>219,484</u>	<u>41,090</u>
DEPRECIATION			
At 1 April 2013	63,914	119,022	39,784
Charge for year	<u>8,439</u>	<u>10,046</u>	<u>431</u>
At 31 March 2014	<u>72,353</u>	<u>129,068</u>	<u>40,215</u>
NET BOOK VALUE			
At 31 March 2014	<u>771,498</u>	<u>90,416</u>	<u>875</u>
At 31 March 2013	<u>779,937</u>	<u>100,462</u>	<u>1,306</u>

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION				
At 1 April 2013 and 31 March 2014	<u>175,590</u>	<u>7,064</u>	<u>13,938</u>	<u>1,301,017</u>
DEPRECIATION				
At 1 April 2013	143,701	4,332	13,938	384,691
Charge for year	<u>10,523</u>	<u>683</u>	<u>-</u>	<u>30,122</u>
At 31 March 2014	<u>154,224</u>	<u>5,015</u>	<u>13,938</u>	<u>414,813</u>
NET BOOK VALUE				
At 31 March 2014	<u>21,366</u>	<u>2,049</u>	<u>-</u>	<u>886,204</u>
At 31 March 2013	<u>31,889</u>	<u>2,732</u>	<u>-</u>	<u>916,326</u>

The long leasehold was valued on an open market basis on 13th December 2011 and has not been since. However, the adjacent property unit 6 of similar which belongs to the "sister" company, Voltec Engineering UK Limited, has just been valued on the 15th May 2014 by Grant Mills Wood (Chartered surveyors and property consultants). The same basis of valuation was adopted and applied to unit 7 and the valuation comes to £848,400.

Gentec Energy Plc and subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014

11. TANGIBLE FIXED ASSETS - continued

Company

Cost or valuation at 31 March 2014 is represented by:

	Long leasehold £	Improvements to property £	Plant and machinery £	
Cost in 2014	<u>843,851</u>	<u>219,484</u>	<u>41,090</u>	
	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Cost in 2014	<u>175,590</u>	<u>7,064</u>	<u>13,938</u>	<u>1,301,017</u>

If the long leasehold had not been revalued it would have been included at the following historical cost:

	31.3.14	31.3.13
	£	£
Cost	<u>989,646</u>	<u>989,646</u>
Aggregate depreciation	<u>173,232</u>	<u>163,336</u>
Value of land in freehold land and buildings	<u>816,414</u>	<u>826,310</u>

The long leasehold was valued on an open market basis on 13 December 2011 by Phillips & Co.

12. FIXED ASSET INVESTMENTS

Voltec Engineering UK Limited is being treated as an associate this year (in the prior year, it was consolidated in the group accounts as Gentec Energy Plc had effective control over this entity) and Gentec Energy Plc holds 50% of the £1,500,000 ordinary shares of Voltec Engineering UK Limited. The net assets of this associate as at the year-end are £1,053,933.

Cummins Power Generation (Nigeria) Limited (CPGNL) is being treated as an associate this year (in the prior year, it was consolidated in the group accounts as Cummins Cogeneration Limited had effective control over this entity). Cummins Cogeneration Ltd holds 49% of the £154,177 ordinary shares of Cummins Power Generation (Nigeria) Ltd. This company is engaged in the business of construction, operation and maintenance of power generation, distribution and transmission facilities and stations. The net assets of CPGNL as at the year-end are £25,337,826.

Gentec Energy Plc and subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014

12. FIXED ASSET INVESTMENTS - continued

The principal companies in which the Company's interest at the year-end is more than 20% are as follows:

	Country of incorporation	Principal activity	Percentage of ordinary shares held
Cummins ESB Nigeria Limited	England	See below	50%
Cummins Cogeneration Limited	England	See below	60%
<u>Cummins ESB Nigeria Limited</u>			
Subsidiary undertakings			
Cummins Energy Solutions (Nigeria) Limited	Nigeria	See below	100%
<u>Cummins Cogeneration Limited</u>			
Subsidiary undertakings			
Cummins Cogeneration Belgium BVBA	Belgium	See below	100%
Cummins Cogen Iberia S.L	Spain	See below	100%
Cummins Cogen India Private Limited	India	See below	100%
Cummins Cogeneration Kenya Limited	Kenya	See below	100%
Other investments			
Cummins Power Generation (Nigeria) Limited	Nigeria	See below	49%

13. STOCKS

	Group		Company	
	31.3.14	31.3.13	31.3.14	31.3.13
	£	£	£	£
Finished goods	<u>3,740,324</u>	<u>6,083,972</u>	<u>2,092,739</u>	<u>629,990</u>

Gentec Energy Plc and subsidiaries

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014**

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.14	31.3.13	31.3.14	31.3.13
	£	£	£	£
Trade debtors	29,636,376	22,509,454	26,947,540	17,750,543
Amounts owed by group undertakings	-	-	3,861,369	515,632
Other debtors	141,990	10,614,435	3,403	948
Directors' current accounts	-	162,523	-	-
VAT	195,059	81,952	180,567	47,707
Deferred tax asset	18,348	-	-	-
Prepayments and accrued income	2,439,829	586,921	11,806	13,591
	<u>32,431,602</u>	<u>33,955,285</u>	<u>31,004,685</u>	<u>18,328,421</u>

Deferred tax asset

	Group		Company	
	31.3.14	31.3.13	31.3.14	31.3.13
	£	£	£	£
Deferred tax	<u>18,348</u>	<u>-</u>	<u>-</u>	<u>-</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.14	31.3.13	31.3.14	31.3.13
	£	£	£	£
Bank loans and overdrafts (see note 17)	1,216,150	2,938,074	-	-
Trade creditors	22,787,385	36,883,595	27,725,192	20,573,123
Amounts owed to group undertakings	9,400,081	-	10,248,494	1,458,452
Tax	530,577	722,243	168,084	330,000
Social security and other taxes	29,072	25,382	12,020	17,419
Pension liability	19,850	1,711	19,850	1,711
Proposed dividends	38,431	38,431	38,431	38,431
Other creditors	54,984	67,532	4,323	-
Advances for shares	2,550,000	5,842,658	-	-
Directors' current accounts	1,435	40,536	1,435	40,536
Accrued expenses	447,555	988,402	179,670	103,792
Inventory received not billed	522,133	492,474	274,201	156,352
	<u>37,597,653</u>	<u>48,041,038</u>	<u>38,671,700</u>	<u>22,719,816</u>

Gentec Energy Plc and subsidiaries

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014**

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

	Group	
	31.3.14	31.3.13
	£	£
Loans	<u>5,869,837</u>	<u>13,391,410</u>

17. LOANS

An analysis of the maturity of loans is given below:

	Group	
	31.3.14	31.3.13
	£	£
Amounts falling due within one year or on demand:		
Loans	<u>1,216,150</u>	<u>2,938,074</u>
Amounts falling due between one and two years:		
Other loans - 1-2 years	<u>1,296,946</u>	<u>3,746,799</u>
Amounts falling due between two and five years:		
Loans	<u>2,593,891</u>	<u>9,494,216</u>
Amounts falling due in more than five years: Repayable otherwise than by instalments Other loans more 5yrs	<u>1,979,000</u>	<u>150,395</u>

18. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.3.14	31.3.13	31.3.14	31.3.13
	£	£	£	£
Deferred tax	<u>-</u>	<u>108,719</u>	<u>16,000</u>	<u>18,500</u>
Other provisions				
Provision for Warranty Costs	<u>9,515,539</u>	<u>11,531,078</u>	<u>9,515,539</u>	<u>11,531,078</u>
Aggregate amounts	<u>9,515,539</u>	<u>11,639,797</u>	<u>9,531,539</u>	<u>11,549,578</u>

Gentec Energy Plc and subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014

18. PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £
Balance at 1 April 2013	108,719
Credit to profit and loss account during year	(37,432)
Unused amounts reversed during year	<u>(89,635)</u>
Balance at 31 March 2014	<u>(18,348)</u>

Company

	Deferred tax £	Warranty provision £
Balance at 1 April 2013	18,500	11,531,078
Credit to profit and loss account during year	(2,500)	(2,015,539)
Additional Provision		
Deferred Tax Charge		
Balance at 31 March 2014	<u>16,000</u>	<u>9,515,539</u>

Warranty provision

Over the last few years the Company has provided on an annual basis a percentage of contract values as a provision against possible liabilities on contract execution. These commitments are up to a period of 30 months post shipment and it has been prudent to provide for these possible claims. However, with the growth in size of the business and the "portfolio approach", the directors believe they are able to reduce the amount of provision and in the opinion of the directors, still provide sufficient coverage to the Company in the event of potential future warranty claims.

With effect from 1st April 2012, for a period of three years the provision will be reduced in three equal instalments to £7,500,000 and will maintained at that level.

19. MINORITY INTERESTS

The minority interests in the Group consist wholly of equity interests.

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.3.14	31.3.13
		£1	£	£
56,373	Ordinary		<u>56,373</u>	<u>56,373</u>

Gentec Energy Plc and subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014

21. RESERVES

Group

	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1 April 2013	2,734,416	12,345,425	73,689	15,153,530
Deficit for the year	(98,904)			(98,904)
Consolidation adjustment	-	<u>(9,914,440)</u>	-	<u>(9,914,440)</u>
At 31 March 2014	<u>2,635,512</u>	<u>2,430,985</u>	<u>73,689</u>	<u>5,140,186</u>

Company

	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1 April 2013	4,331,474	904,574	73,689	5,309,737
Profit for the year	<u>937,556</u>			<u>937,556</u>
At 31 March 2014	<u>5,269,030</u>	<u>904,574</u>	<u>73,689</u>	<u>6,247,293</u>

22. CONTINGENT LIABILITIES

If the dispute between the shareholders of Voltec Engineering UK Limited goes to trial, the costs of the litigation could be in the region of £300,000. No provision has been made in the accounts.

23. CAPITAL COMMITMENTS

Capital commitments at the end of the financial year, for which no provision has been made, are as follows:

Commitments of \$18,005,864 by Gentec Energy Plc for the acquisition of property plant and equipment for Cummins Cogeneration (Kenya) Limited.

Cummins Cogeneration Limited

- A further £14,767,804 (2013:£664,995) was committed in relation to the Cummins Power Generation (Nigeria) Limited (formerly Tower Power (Nigeria) Limited) investment;
- A further £nil (2013:£148,134) was committed to Cummins Cogeneration Limited India relating to the development on the India Sattur project; and
- A further £14,645,756 (2013: £1,303,574) was committed to Cummins Cogeneration Kenya Limited investment.

24. RELATED PARTY DISCLOSURES

Powergas International Ltd

Powergas International Ltd is a company registered outside the UK, which holds 49% of the issued share capital of the parent company. There was no transaction between the two parties during the year ended 31st March 2014.

Gentec Energy Plc and subsidiaries

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2014

25. **POST BALANCE SHEET EVENTS**

Cummins Cogeneration Ltd

After the year end the loans from the shareholders (£6,375,000) were redeemed through the issue of ordinary share capital (£1 per share) . Gentec Energy Plc will keep 60% holding of the company.

On 18th July 2014 Cummins Cogeneration Limited acquired a 60% stake in Biogen Corp Limited Equity Investments. This was for total cash consideration of £1,512,000, of which £339,000 was paid 17th December 2013 and £1,173,000 was paid 18th July 2014. On 1 July 2014 the loans from the shareholders of £6,375,000 were redeemed through the issue of ordinary share capital (£1 per share). 3,825,000 were issued to Gentec and 2,550,000 were issued to Cummins Power Generation. This split maintained the 60%-40% levels of control.

26. **ULTIMATE CONTROLLING PARTY**

The director Mrs A Khilnani is the beneficial owner of 51% of the issued share capital of the parent company.

27. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

Group

	31.3.14	31.3.13
	£	£
(Loss)/profit for the financial year	(98,904)	409,222
Dividends	-	(78,431)
	<u>(98,904)</u>	<u>330,791</u>
Revaluation reserve		
Share Premium in Associates	<u>(9,914,440)</u>	<u>11,440,851</u>
Net (reduction)/addition to shareholders' funds	(10,013,344)	11,771,642
Opening shareholders' funds	<u>15,209,903</u>	<u>3,438,261</u>
Closing shareholders' funds	<u>5,196,559</u>	<u>15,209,903</u>

Company

	31.3.14	31.3.13
	£	£
Profit for the financial year	937,556	959,815
Dividends	-	(78,431)
Share capital subscribed		
Share premium subscribed		
	<u>937,556</u>	<u>881,384</u>
Net addition to shareholders' funds	937,556	881,384
Opening shareholders' funds	<u>5,366,110</u>	<u>4,484,726</u>
Closing shareholders' funds	<u>6,303,666</u>	<u>5,366,110</u>

28. **CONSOLIDATION**

The Group accounts incorporate the Group's share of the results of Cummins Cogeneration Limited and Cummins ESB Nigeria Limited together with its subsidiaries for the year. It does not include the African operations and Voltec Engineering UK Limited.

The 2013 comparatives include the African operations and Voltec Engineering UK Limited.