IPSA

INDEPENDENT POWER SOUTHERN AFRICA

IPSA GROUP PLC
Annual Report and Accounts
for the year ended 31 March 2015

Stock code: IPSA

STRATEGIC REPORT

Dear Shareholder,

I present to the shareholders of IPSA Group PLC (the "Company") and its subsidiaries (together the "Group") the much delayed Report and Accounts for the year ended 31 March 2015. Since the year end, the Company has sold its principal operating business in South Africa by disposing of its shareholding in Blazeway Engineering Pty Ltd ("Blazeway") and this has affected the reporting of the Group accounts. Under IFRS accounting standards, the directors consider this disposal an adjusting event relating to IAS 10 after the Reporting Period, as the Group no longer expects to receive the future cash flows of the disposed entities. It is therefore appropriate that entity and consolidation adjustments are made to the carrying value of Blazeway to reflect the sale proceeds. Details of the disposal are contained in the Director's Report

The Company has for many years owned and operated Newcastle Cogeneration (Pty) Ltd, ("NewCogen") a wholly owned subsidiary of Blazeway which is a combined heat and power plant located in Newcastle, South Africa. The overall performance in 2015 saw higher operational efficiencies and higher output than previous years due in the main to the addition of a 1 MW Deutz engine. Announced after the year end, NewCogen was awarded a one year extension to its Medium Term Power Purchase Programme ("MTPPP") contract (with Eskom). NewCogen was also successful in drawing down a loan from the Industrial Development Corporation ("IDC") for the installation of the two Jenbacher gas engines. The Jenbacher installation commenced and the engines were expected to be in commercial operation by summer 2016 resulting in an additional 3.8 MW being made available to the existing operation. However a chronic shortage of funds in late 2015 delayed that installation and placed further pressure on the Group's already tight cash position.

Consistent with prior years, we are required under the accounting rules to recognise an impairment of the generating assets at the year-end of £5.1m. In addition, we had recognised an impairment in the investment/loans to our subsidiary of £22.9m in view of the delays in it achieving profitability and the development status of further planned expansion. The proceeds to be received for the disposal are significantly less than the historical investment value resulting in an impairment of £23 million. The table in note 14 provides further information regarding the impact of various discount rates on the value of the assets.

The Group has always maintained its commitment to complete payment of outstanding sums to Ethos Energy Italia SpA ("Ethos") and to other creditors. This commitment is now totally dependent upon receiving the funds due from Rurelec PLC ("Rurelec") and the sale of the balance of plant pertaining to the 701 turbines (the "BOP") as the Company has no other sources of funding available to it at this time.

Strategy

The Company's strategy following the disposal of NewCogen is to sell the BOP for a target price of £4.0 million. The sale of the BOP at this figure or more will clear all remaining Company creditors, of which Ethos is by far the largest and leave IPSA as a quoted cash shell suitable as a partner for a potential reverse takeover candidate.

Group Results

Group turnover for the year was £3.6m (2014: £3.7m), the Group recorded a gross loss for 2015 of £5.3m (2014: loss of £957k). The operating loss increased from £2.3m last year to a loss of £6.78m in the current year.

The Directors have conducted an impairment review of the carrying value of the remaining ancillary equipment and consider that no impairment has occurred. The carrying value continues to be sufficient to cover a significant portion of the creditor position.
Following the sale of the remaining two turbines in June 2013 to Rurelec, the balance outstanding to the Group has only been paid in part through the settlement by Rurelec of €1.4m, after the year end, of the total outstanding amounts due to Ethos. The balance outstanding from Rurelec re the turbines is currently £1.8m. The balance due to Ethos has been fully provided in the accounts at £4.1m.

NewCogen

The plant recorded an overall loss for the year of £4.6m (2014: £2.5m) after reporting a £3.9m impairment and lower foreign currency losses as a result of the reorganisation of NewCogen's finances and the conversion of approximately £11.1m of its debt into South African Rand ("ZAR").

This debt is awaiting capitalisation approval from the South African Reserve Bank and is treated as equity in the Group Accounts.

The plant recorded an excess of revenues over gas costs of £0.5m (2014: £0.6m) and an operating loss of £4.6m (2014: £1.5m). In local currency, turnover was ZAR 65.0m (2014: ZAR 59.6m), and the operating loss, excluding depreciation and the impairment charge, was ZAR 3.7m (2014 ZAR 3.2m).

Board of Directors
The death of Phil Metcalf, IPSA's CEO, in November 2014 was a significant interruption to the Group's strategic drive. In July 2015 we announced the resignations of Peter Earl and Elizabeth Shaw and thank them both for their significant contributions since the Group was formed. Mark Otto who has acted as Chief Operating Officer since 2013 was appointed as Acting Chief Executive Officer to provide continuity of the operation in Newcastle and to resolve all the issues on hand pending the disposal of Blazeway and NewCogen. As announced on 1st March 2016 Peter Earl has re-joined the Board.

Neil Bryson, who has served as senior non-executive director for nine years and I have both decided this is a convenient juncture to step down from the board and therefore will not be standing for re-election. I would like to express the board's heartfelt thanks to Neil for his contribution through challenging times and wish him well. I have enjoyed the opportunity to bring competition into the electricity sector in South Africa through my involvement with IPSA and look forward to hearing that the new capacity at Newcastle has been successfully commissioned and that new BEE industry players have been brought into the business

Outlook
We have continued to work towards payment of our principal creditor Ethos and expect to meet all but the last € 2.65m in the coming weeks, this will be dependent on receipts from Rurelec. Progress is been made in terms of receiving funds from Rurelec but the disposal of the BOP will take more time as a result of tough global economic conditions.

P Earl
Director
14 March 2016

STRATEGIC REPORT - REVIEW OF OPERATIONS

NEWCOGEN

In the past year we have continued to see reliable operations at the NewCogen power plant, with availability remaining above 95 per cent and thermal efficiencies improving with reliable operations. Our operating team has gained valuable experience in operating our Deutz gas engine and is fully engaged in preparations for operating the two Jenbacher engines.

For the year of operation ended March 2015, NewCogen generated 54,232 MWh of electricity (2014: 46,377 MWh), Steam sales were recorded as 21,511 tonnes of steam (2014: 57,800 tonnes), a reduction following entry into commercial operation of the new coal fired boilers installed on the Karbochem site. Electricity was delivered to Eskom under the MTPPP contract, which was renewed for a further year until March 2016. An addendum to the existing contract allows for two additional extensions of two years each, totalling four years pending conditions to be met by Eskom, which is currently subject to further discussions between the parties.

During the year we consumed 762,515 GJ (2014: 740,186 GJ) of methane rich gas once again meeting our minimum Take or Pay obligation of 700,000 GJ.

In April 2014 the base energy rate for electricity was decreased as per the contracted framework of the MTPPP. However, the new addendum signed in March 2015 allowed for an upward adjustment in the base energy rate to compensate for the previous decrease in 2014. For the financial year under review, the gas price increased by 5.9% in April 2014 and 4.4% in October 2014. At present the gas price is adjusted bi-annually based on a combination of South African PPI (producer price index) and the price of Brent Crude. The national energy regulator in South Africa ("NERSA") has approved a new pricing mechanism for gas pricing together with a maximum pricing limit that is now under review and discussion with the gas supplier to NewCogen for implementation in 2016. The extent of the gas pricing changes are not yet finalised between the parties.

I am very pleased to report that there have been zero incidences or Lost Time Accidents in the past year with over 2,000 days worked without lost time. NewCogen has a SETA ("Sector Educational and Training Authority") approved and accredited training programme to train qualified electrical technicians from the Durban University of Technology for a period of one year. The last year saw two students complete their training, one of whom was subsequently employed full time on the site. Another two students were also recruited for training for the 2015 calendar year bringing the number of apprenticeships completed on site to a total of six.

I would like to thank our team at NewCogen for their dedication in maintaining stable operations at the plant and also, particularly to express our appreciation to our accountant, Basil Tollner who has recently retired after some ten years of loyal service to the Company.

BUSINESS REVIEW

The business of NewCogen was established to supply steam to the host facility, Karbochem and power to Eskom through the Karbochem substation. In November 2005 the Company acquired the 18 MW cogeneration plant located at Bury, East Lancashire and commenced the necessary work to dismantle and ship the equipment to South Africa. Construction completed in 2007. Various delays and short term contracts to supply power and steam existed up to August 2010 when NewCogen and Eskom were finally in a position to execute the MTPPP contract. A new gas contract was negotiated in early 2011 and steady state operations began in late March 2011. During its operating history, the plant has sold steam to Karbochem, Lanxess and African Amines under ad hoc arrangements and power to Eskom under the MTPPP. Whilst the MTPPP offers NewCogen short term supply opportunities on a two shift basis, the key driver is to secure a long term power purchase agreement ("PPA") as a base load operation.

ETHOS SETTLEMENT

We expect in the next quarter to progress with the settlement of the Ethos Energy claim as Rurelec has committed to pay a further £1.2m in terms of the Turbine sale to Rurelec. At the date of this report, €1.54m has been paid. Separately, the final amount owing of €2.65m due from the Company at the end of September 2015 is still outstanding but acknowledged, and efforts are being made to meet the Company's obligations. Following the sale of the last remaining turbines to

Rurelec we have the balance of plant with a carrying value of £4.0m remaining on our books. Efforts are being made to sell the BOP as soon as possible.

IRIS CLAIM

Further to the original claim by Iris at a court hearing in Malaysia in March 2014, the court accepted an application by the Group that the Malaysian courts should not have jurisdiction over the claim and awarded costs in favour of the Group. Iris subsequently filed and was granted leave to appeal the matter in the Malaysian Court of Appeal on 2 November 2015. However, at a hearing in the Federal Court of Malaysia on 3 February 2016, Iris's final leave to appeal was dismissed and costs awarded to the Company. The Directors believe that this brings the Iris litigation to a successful close.

WORKING CAPITAL

Working capital has continued to be very tight for the Group with NewCogen able to service all creditors until October this year when a failure of gas turbine two has almost halved NewCogen's output rendering it unable to cover overhead costs in South Africa.

NewCogen entered into a loan agreement with the IDC in South Africa to complete the installation of the two Jenbacher engines. The loan is currently being drawn down in tranches (total ZAR 15.3m) and repayment commences on 1 April 2016 for a period of 48 months.

With mechanical failure to one of the original gas turbines in October, the Group was challenged to continue to deliver power in the region without new investment. The key focus for the board had been the preparation of the plant "blueprint" for the expansion of the facility and the securing of a longer term PPA. The planned capacity increase was to be up to 30 MW and the board was seeking the strategic partnership needed with black industrialists to provide a closer working relationship with key service providers and the various stakeholders at governmental level. These efforts will be continued by the new owner with the completion of the sale of NewCogen announced in January 2016 and approved by shareholders on 16 February 2016. The IDC have approved the transaction on the basis that a minimum of 30% equity is sold to a B-BBEE entity in South Africa.

PRINCIPAL RISKS AND UNCERTAINTIES

The board of directors (the "Board") with appropriate processes formally reviews risks and controls put in place to monitor and mitigate them. Key business risks have included:

1) Changes in demand and pricing of electricity in the markets in which we operate;

2) Forecasting of gas pricing and securing additional gas, our principal fuel;

3) Availability of debt financing at rates that allow new projects to be developed and provide a satisfactory return to our shareholders.

These risks are mitigated by:

1) Securing long term contracts to provide a stable market for our output;
2) Maintaining a good relationship with our suppliers and ensuring availability of gas under a long term contract; and
3) Focussing our development activities in markets where long term contracts with creditworthy counterparties are available and where a reasonably well-developed capital market exists.

KEY PEFORMANCE INDICATORS

The Directors use a range of performance indicators to monitor progress in the delivery of the Group's strategic objectives, to assess actual performance against targets and to aid management of the businesses.

The Group's key performance indicators ("KPIs") include financial and non-financial targets, which are set annually.

Financial KPIs

Financial KPIs address operating profitability, net asset value and earnings per share.

i) Operating profitability

Operating profit excludes all non-operating costs, such as financing and tax expenses, as well as one-off items and non-trading items such as negative goodwill. The exclusion of these non-operating items provides an indication of the performance of the underlying businesses. The Group made an operating loss in the year ended 31 March 2015.

ii) Net asset value

Net asset value is calculated by dividing funds attributable to the Group's shareholders by the number of shares in issue. The net assets of the Group reduced in the year to 1.16 pence per share. (2014: 7.72 pence per share).

iii) Earnings per share

Earnings per share provide a measure of the overall profitability of the Group. It is defined as the profit or loss attributable to each Ordinary Share based on the consolidated profit or loss for the year after deducting tax and non-controlling interest. Growth in earnings per share is indicative of the Group's ability to identify and add value. The Group made a loss in the year of 6.45 pence per share (2014: profit 0.34 pence per share).

Non-Financial KPIs

Non-financial KPIs address other important technical aspects of the business, such as gross capacity, operating efficiency and availability.

i) Gross capacity

Gross capacity is the total generation capacity owned by Group companies and is affected by acquisitions, expansion programmes and disposals. The Group increased operating capacity by through improved operational discipline and a higher on line factor.

ii) Operating efficiency

Operating efficiency is the average operating efficiency of the generating plants. It can be improved through the installation of more thermally efficient generating units, refurbishment activities or through conversion to combined cycle operation. Improved efficiencies were recorded during the year and the upward trend is expected to continue.

iii) Technical availability

Technical availability measures when a plant is available for dispatch. The measurement method excludes time allowed for planned maintenance activities, which occur at regular intervals during the life of the unit plus an allowance for unplanned outages. Unplanned and forced outages in excess of the annual allowance will cause a reduction in the technical availability factor. Average availability through the year for our plant in Newcastle was above 95 per cent (2014: 95 per cent).

The Strategic Report was approved by the Board of Directors on 14 March, 2016 and was signed on its behalf by:

P Earl
Director
14 March 2016

DIRECTORS' REPORT

The directors submit their report and audited financial statements for the year ended 31 March 2015.

Principal activities and review of the business

The principal activities of the Group comprise the operation and development of power generation assets, initially in South Africa. The Group's strategy was to create a portfolio of power generation assets in southern Africa, in conjunction with project partners where the directors believed this to be advantageous. The parent Company is now engaged in the sale of the balance of plant following the announcement of the sale of NewCogen on 16th February 2016.

The Company was incorporated on 1 July 2005 and was admitted to AIM in September 2005. In October 2006, the Company obtained a secondary listing, on the Alternative Exchange of the Johannesburg Stock Exchange Limited ("AltX").

A review of the Group's activities is set out in the Chairman's Statement and the Acting Chief Executive's Review.

Results and dividends

The Group results for the year ended 31 March 2015 are set out in the Consolidated Statement of Comprehensive Income. No dividend has been paid or is proposed.

Going Concern

The directors have continued to adopt the 'going concern' basis for the preparation of the financial statements since the directors consider that the Company and the Group have sufficient financial resources available to continue trading for the foreseeable future (see also note 3.2).

Share capital

Details of the authorised and issued share capital are set out in note 20. During the year, there were no changes in the issued share capital of the Company.

Directors

The directors who served during the year are as follows:
R Linnell
N Bryson
P Earl – resigned on 31 July 2015, re-appointed on 1 March 2016
P Metcalf- deceased on 11 November 2014
E Shaw – resigned on 31 July 2015
M. C. Otto

Directors' interests

The beneficial interests of the current directors and also those who served during the year in the share capital of the Company at 11 March 2016, being the last practicable date for reporting this information, were as stated below:

	11.03.2016	**31.03.2015**	**31.03.2014**
N Bryson	50,000	50,000	50,000
E R Shaw	1,268,750	1,268,750	1,268,750
P R S Earl	250,000	250,000	250,000

In May 2012 the Company issued 2.1m share options. The options vested immediately at an exercise price of 5p per share and their fair value was £nil as the price of the shares when the options were granted was less than 5p. The options held by current directors are as follows:

R Linnell	192,067
N Bryson	213,407
P Earl	393,203

No options were granted during the year under review.

Significant shareholdings in the Company

In addition to the shareholdings shown above, the Company is aware of the following notifiable interests of 3 per cent or more in the issued share capital of the Company 11 March 2016, being the last practicable date for reporting this information.

	Number of shares	Percentage holding
Sterling Trust Ltd	31,794,105	29.57
Metc Metlife Main Account - RSA	11,949,277	11.12
YF Finance Limited	6,430,000	5.98
Lynchwood Nominees Ltd	5,672,900	5.28
Pershing Nominees Limited	3,670,370	3.41

Risk management policies and objectives

The financial risk management policies and objectives are set out in note 23.

Directors' responsibilities

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 financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs"). The financial statements are required by law to give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable IFRSs 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.

The directors confirm that:

- So far as each of the directors is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

The auditors, Grant Thornton UK LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By order of the Board

Susan Laker
Company Secretary
14 March 2016

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 MARCH 2015

POLICY STATEMENT

The Board is committed to applying high standards of corporate governance and integrity to all our activities. We do not comply with the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the company and best practice.

INTERNAL CONTROLS

The Directors are responsible for the Group's systems of internal control. Whilst no risk management process or systems of internal control can completely eliminate the risk of material misstatement or loss, the Group's systems are designed to provide the directors with reasonable assurance that problems are identified in a timely manner and dealt with appropriately. The Board considers that there have been no substantial weaknesses in financial controls resulting in material loss, contingencies or uncertainties and thus disclosable in these Accounts. The Board has considered the need for an internal audit function and has concluded that there is no current need for such a function.

THE ROLE OF THE BOARD

The Board is responsible for the overall management of the Group, its strategy and long term objectives, having regard to the interests of shareholders and the protection of shareholder value. The Board is tasked with ensuring that the Company has adequate resources to meet its objectives.

Once the Board has set the strategic and financial objectives, it is the role of the Chief Executive and the management team to work to achieve those objectives on a day to day basis.

All directors are subject to election by shareholders at the next general meeting following appointment to the Board and to annual re-election by rotation.

External advice is available to the directors if they consider it necessary.

ACCOUNTING POLICIES

The Board considers the appropriateness of its accounting policies on a regular basis.

DIRECTORS' ROLES

For the year ended 31 March 2015, the Board comprised a Non-Executive Chairman, two Executive Directors following the death of Phil Metcalf in November 2014 and two Non-Executive Directors. The Chairman of the Board is Richard Linnell. The other Non-Executive Directors are Neil Bryson and Peter Earl. The Executive Directors were Phil Metcalf, who was Chief Executive, Mark Otto, Chief Operating Officer and Elizabeth Shaw, Finance Director. Peter Earl and Elizabeth Shaw subsequently resigned on 31 July 2015. Peter Earl was re-appointed to the Board as Executive Director on 1 March 2016. All Directors are involved in significant decisions and the Directors have access to external advice if they deem it necessary.

The Chairman's main role is to:

- Ensure good corporate governance
- Lead the Board, ensuring the effectiveness of the Board in all aspects of its role;
- Ensure effective communications with shareholders; and
- Set the agenda for Board meetings in conjunction with the Chief Executive Officer and the Company Secretary and ensure that all Directors are encouraged to engage fully in the decision making process of the Board.

The Chief Executive Officer's main role is to:

- Lead the Company and provide the key recommendations to the Board on corporate strategy;

- Run the Company from day to day
- Provide strategic direction to the Company's management team;
- Set objectives for the review and performance of the Company's management team;
- Play a key role in external shareholder, client and partner relationships;
- Be responsible with the other directors for implementing the decisions of the Board and its committees; and
- Act as the principal spokesperson of the Company in communications with shareholders, external auditors, the media and investors.

Directors' Roles

The Non-executive Directors' main role is to:

- Challenge the opinions of the Executive Directors, providing fresh insight to the strategy and bring diversity of experience and expertise for the benefit of the Group;
- Play a part in ensuring good corporate governance;
- Assess the performance of the Chairman;
- Scrutinise the performance of the Executive Directors in terms of meeting agreed strategy and business objectives;
- Be available to shareholders if they have concerns not satisfied through contact with the Chairman or Chief Executive Officer;
- Play a part in ensuring that financial information, controls and systems of risk management within the Group are fit for purpose and are being adhered to;
- Monitor the reporting of performance of the Company; and
- Assist management, where possible, with high level contacts

The Chairman and Non-Executive Directors met three times during the financial year without the Executive Directors being present.

SHAREHOLDER RELATIONS AND ANNUAL GENERAL MEETING ("AGM")

The Group values the views of its shareholders and recognises their interest in the Group's strategy and performance, Board membership and quality of management. The AGM is an opportunity to communicate with institutional and other shareholders through the circulation of the interim and annual reports. The outcome of the voting on AGM resolutions is disclosed by means of an RNS announcement. IPSA Group PLC maintains up-to date information on the investor section of its website www.ipsagroup.co.uk.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

The Audit Committee comprised Neil Bryson and Richard Linnell who are both Non-Executive Directors and is chaired by Neil Bryson. The Committee's remit is to review financial reporting practices, internal financial controls and internal and external audit policy including the appointment of the Company's auditor. During the year, the Audit Committee met twice to review the draft half year and annual financial statements.

REMUNERATION COMMITTEE

The Remuneration Committee comprises Richard Linnell and Neil Bryson and is chaired by Richard Linnell. The Remuneration Committee reviews the remuneration policy for the Executive Directors and for senior management. The Executive Directors determine the remuneration arrangements for the Non-Executive Directors. No director may participate in decisions regarding his own remuneration. Details of the Directors' remuneration can be found in note 27.

APPOINTMENT OF DIRECTORS

The Nomination Committee comprises Richard Linnell as Chairman and Neil Bryson. The Committee is responsible for monitoring the composition of the Board and meets to make recommendations to the Board on all new Board appointments and succession planning. The Board has not used external consultants in the appointment of directors.

HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION POLICY

The Group is committed to compliance with all relevant laws and regulations and continues to assess its operations to ensure protection of the environment, the community and the health and safety of its employees. The Group maintains appropriate procedures to ensure that all activities are carried out in compliance with safety regulations, in a culture where the safety of personnel is paramount and which recognises environmental sustainability and respect for cultural and heritage issues.

SHARE DEALING CODE

The Company has a Share Dealing Code, which covers dealings by Persons Discharging Managerial Responsibilities. The Company's code complies with the provisions of the Code and restricts dealings in shares during designated close periods and at any time when they are in possession of unpublished price sensitive information.

Susan Laker
Company Secretary
14 March 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IPSA GROUP PLC

We have audited the financial statements of IPSA Group PLC for the year ended 31 March 2015 which comprise the group and parent company statement of financial position, the group statement of comprehensive income, the group and parent company statements of cash flow, the group and parent company statements of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out in the Directors' Report, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

BASIS FOR ADVERSE OPINION ON FINANCIAL STATEMENTS

In forming our opinion on the financial statements we considered the implications as disclosed in the financial statements of the following matters:

- The Group has Non-Current Assets classified as Held for Sale carried at a value of £4m at the year end date. These assets comprise spares and ancillary equipment and the figure of £4m represents the Directors' current valuation of the assets as disclosed in note 3.2 to the financial statements. In our opinion, based on the audit evidence obtained, provision should be made against the carrying value of the assets and we do not consider that the carrying value of £4m represents the fair value less costs to sell of the assets. It is not practicable to quantify the financial effects of this misstatement.
- There is a significant uncertainty over the timing of the payment of the remaining balance of £1.8m of £2.9m due from Rurelec PLC as disclosed in note 3.2 to the financial statements. Furthermore, the recoverability of this balance is reliant on the successful completion of events in relation to the activities of Rurelec PLC, as disclosed in note 3.2 to the financial statements. In our opinion, a provision of £1.8m should be made against the debtor balance due from Rurelec PLC as the outcome of these events cannot be determined at the current time and therefore we do not consider that the balance is fully recoverable.

As explained in note 3.2 to the financial statements the Directors believe that the company is a going concern due to assets being in excess of liabilities. As a result of the two matters above there is a material uncertainty over whether the assets are in excess of liabilities which may cast significant doubt on the company's and group's ability to continue as a going concern. Therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements (and notes thereto) do not disclose this fact and have been prepared on the going concern basis.

The financial statements of the group for the year ended 31 March 2014 included a provision for impairment of property, plant and equipment that was understated by £1.02m and our audit opinion on the financial statements for that year was modified accordingly. The effects of this matter on the current year's opening balances are material and continue to require a modification to our opinion on the current year in this regard.

ADVERSE OPINION ON FINANCIAL STATEMENTS

In our opinion, because of the significance of the matter described in the Basis for Adverse Opinion paragraph:

- the financial statements do not give a true and fair view of the state of the group or company's affairs as at 31 March 2015 and of the group's loss for the year then ended;
- the group financial statements have not been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the parent company financial statements have not been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006.

In all other respects, in our opinion the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

Notwithstanding our adverse opinion on the financial statements, in our opinion the information given in the Strategic Report and 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 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.

Christopher Smith
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
14 March 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2015

	Notes	12 Months 31/03/2015 £'000	12 Months 31/03/2014 £'000
Revenue	4	3,649	3,707
Impairment of Property, Plant & Equipment	6	(5,144)	(753)
Other Cost of Sales	6	(3,804)	(3,911)
Total Cost of Sales	6	**(8,948)**	**(4,664)**
Gross Loss		**(5,299)**	**(957)**
Administrative Expenses	7	(1,482)	(1,388)
Operating Loss		**(6,781)**	**(2,345)**
Profit on Sale of Non-Current Asset	8	-	3,166
Other Expense	9	(78)	(282)
Net Finance Expense	10	(74)	(171)
(Loss)/Profit Before Tax		**(6,933)**	**368**
Tax Expense	11	-	-
(Loss)/Profit After Tax		**(6,933)**	**368**
Other Comprehensive Income			
Items that will subsequently be Reclassified to Profit or Loss: Exchange Differences on Translation of Foreign Operation		(118)	(1,714)
Total Comprehensive Loss		**(7,051)**	**(1,346)**
(Loss)/Earnings per Ordinary Share (basic, diluted and headline)	13	**(6.45p)**	**0.34p**

The accompanying accounting policies and notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 March 2015

	Notes	12 months 31/03/2015 £'000	12 months 31/03/2014 £'000
Non-Current Assets			
Property, Plant and Equipment	14	1,916	7,738
		1,916	**7,738**
Current Assets			
Trade and Other Receivables	16	3,422	3,575
Cash and Cash Equivalents	18	3	61
		3,425	**3,636**
Non-Current Assets Classified as Assets Held for Sale	19	4,000	4,000
Total Assets		**9,341**	**15,374**
Equity and Liabilities			
Equity Attributable to Equity Holders of the Parent:			
Share Capital	20	2,150	2,150
Share Premium Account		26,767	26,767
Foreign Currency Reserve		(5,843)	(5,725)
Profit and Loss Reserve		(21,831)	(14,898)
Total Equity		**1,243**	**8,294**
Current Liabilities			
Trade and Other Payables	21	7,152	6,842
Borrowings	22	946	238
		8,098	**7,080**
Total Equity and Liabilities		**9,341**	**15,374**

The financial statements were approved by the Board on 14 March 2016.

Neil Bryson - Director

Peter Earl -Director

Company registration number: 05496202

The accompanying accounting policies and notes form an integral part of these financial statements.

PARENT COMPANY STATEMENT OF FINANCIAL POSITION
at 31 March 2015

	Notes	31/03/15 £'000	31/03/14 £'000
Assets			
Non-Current Assets			
Investments	15	1,916	23,369
		1,916	**23,369**
Current Assets			
Trade and other receivables	16	3,068	3,249
Stock	17	-	1,320
Cash and Cash Equivalents	18	-	17
		3,068	**4,585**
Non-Current Assets Classified as Assets held for Sale	19	**4,000**	**4,000**
Total Assets		**8,984**	**31,955**
Equity and Liabilities			
Share Capital	20	2,150	2,150
Share Premium Account		26,767	26,767
Profit and Loss Reserve		(27,514)	(3,555)
Total Equity		**1,403**	**25,362**
Current Liabilities			
Trade and Other Payables	21	6,635	6,355
Borrowings	22	946	238
		7,581	**6,593**
Total Equity and Liabilities		**8,984**	**31,955**

The financial statements were approved by the Board on 14 March 2016.

Neil Bryson - Director   Peter Earl -Director

Company registration number: 05496202

The accompanying accounting policies and notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2015

	12 Months 31/03/2015 £'000	**12 Months 31/03/2014 £'000**
(Loss) / Profit for the Year	**(6,933)**	**368**
Add back Net Finance Expense	73	171
Deduct Profit on Sale of Asset Held for Sale	-	(3,166)
Adjustments for:		
Depreciation and Impairment	4,472	1,328
Group IAS 10 Write Down re Post-date Sale of Blazeway	1,311	-
Unrealised Exchange (Gains)/Losses	(30)	133
Change in Trade and Other Receivables	153	181
Change in Trade and Other Payables	311	(530)
Cash Used in Operations	**(642)**	**(1,515)**
Interest Paid	(13)	(133)
Interest Received	-	-
Net Cash Used in Operations	**(655)**	**(1,648)**
Cash Flows from Investing Activities		
Purchase of plant and Equipment	(99)	(2,537)
Proceeds from Sale of Asset Held for Sale	-	12,935
Costs Associated with Sale of Assets Held for Sale	-	(1,230)
	(99)	**9,168**
Cash Flow from Financing Activities		
Loans Received	729	200
Loans Repaid	(33)	(7,759)
	696	**(7,559)**
Decrease in Cash and Cash Equivalents	**(58)**	**(39)**
Cash and Cash Equivalents at Start of Year	61	100
Cash and Cash Equivalents at End of Year	**3**	**61**

The accompanying accounting policies and notes form an integral part of these financial statements.

PARENT COMPANY STATEMENT OF CASH FLOWS
for the year ended 31 March 2015

	12 Months 31/03/2015 £'000	12 Months 31/03/2014 £'000
(Loss)/Profit for the Year	**(23,958)**	**289**
Add back Net Finance Expense	73	157
Add back Impairment on Investments	22,747	1,700
Deduct Profit on Sale of Asset Held for Sale	-	(3,166)
Adjustments for:		
Change in Trade and Other Receivables	181	(175)
Sale/(Purchase) of Inventory	1,320	(1,320)
Change in Trade and Other Payables	279	(382)
Cash Used in Operations	**642**	**(2,897)**
Interest Paid	(13)	(122)
Net Cash from/(Used in) Operations	**629**	**(3,019)**
Cash Flows from Investing Activities		
Loan to Subsidiary	(1,342)	(2,337)
Proceeds from Sale of Asset Held for Sale	-	12,935
Costs Associated with Sale of Asset Held for Sale	-	(1,230)
	(1,342)	**9,368**
Cash Flow from Financing Activities		
Loans Received	729	200
Loans Repaid	(33)	(6,534)
	696	**(6,334)**
(Decrease)/Increase in Cash and Cash Equivalents	**(17)**	**15**
Cash and Cash Equivalents at Start of Year	17	2
Cash and Cash Equivalents at End of Year	**-**	**17**

The accompanying accounting policies and notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2015

	Share Capital	Share Premium Account	Foreign Currency Reserve	Profit and Loss Reserve	Total Equity
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
At 31.3.13	**2,150**	**26,767**	**(4,011)**	**(15,266)**	**9,640**
Profit for the Year	-	-	-	368	368
Other Comprehensive Loss	-	-	(1,714)	-	(1,714)
Total Comprehensive Loss for the Year	-	-	**(1,714)**	**368**	**(1,346)**
At 31.3.14	**2,150**	**26,767**	**(5,725)**	**(14,898)**	**8,294**
Loss for the Year	-	-	-	(6,933)	(6,933)
Other Comprehensive Loss	-	-	(118)	-	(118)
Total Comprehensive Loss for the Year	**-**	**-**	**(118)**	**(6,933)**	**(7,051)**
At 31.3.15	**2,150**	**26,767**	**(5,843)**	**(21,831)**	**1,243**

The accompanying accounting policies and notes form an integral part of these financial statements.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2015

	Share Capital	Share Premium Account	Foreign Currency Reserve	Profit and Loss Reserve	Total Equity
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
At 31.3.13	**2,150**	**26,767**	-	**(3,845)**	**25,072**
Profit for the Year	-	-	-	290	290
Total Comprehensive Loss for the Year	**-**	**-**	**-**	**290**	**290**
At 31.3.14	**2,150**	**26,767**	**-**	**(3,555)**	**25,362**
Loss for the Year	**-**	**-**	**-**	(23,958)	(23,958)
Total Comprehensive Income for the Year	**-**	**-**	**-**	**(23,958)**	**(23,958)**
At 31.3.15	**2,150**	**26,767**	**-**	**(27,513)**	**1,404**

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the Financial Statements
for the year ended 31 March 2015

1 Principal activities and nature of operations

The principal activity of IPSA Group PLC (the "Company") and its subsidiaries (together the "Group") is the construction, development and operation of electricity generation assets and the supply of electricity to the wholesale market and major end-users. The parent Company is also involved in the purchase and sale of power related equipment and products.

During the year under review, the Group's operating activities included the generation and sale of electricity and steam by the Group's gas fired plant in Newcastle, Republic of South Africa.

Further details are provided in the Chairman's statement and the Acting Chief Executive's review of operations.

2 General information

IPSA Group PLC is the Group's ultimate Parent Company. It is incorporated and domiciled in England and Wales. The address of IPSA Group PLC's registered office is given on the information page. IPSA Group PLC's shares are traded on the AIM market of the London Stock Exchange PLC in London and, since October 2006, the shares have had a dual listing on Altx (the Alternative Exchange, a division of JSE Limited, of the Johannesburg market).

3 Summary of accounting policies

3.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable International Financial Reporting Standards ("IFRS") as adopted by the European Union. The measurement bases and principal accounting policies of the Group are set out below.

Statutory accounts for 2014 have been delivered to the registrar of companies, and those for 2015 will be delivered in due course. The auditors have reported on those accounts; the audit report for 2015 contains an adverse opinion, 2014 was qualified in relation to the discount rate utilised in the impairment review of the property, plant and equipment and subsequent impairment.

3.2 Going concern

Following completion of the sale of the remaining two turbines for a total consideration of US$25 million (£16.1 million) of which £12.9 million was received during the previous year, the Company had expected to receive from Rurelec PLC the outstanding amounts still owed of euros 1.505 million which it has undertaken to pay on the Company's behalf to Ethos Energy Italia S.p.A and a further amount of £185,000.

The Company has been provided with a letter of comfort from Rurelec which gives the Board confidence that Rurelec is likely to be able to meet its payment obligations to the Company in the coming months.

The Company is engaged in discussions with three parties who have shown interest in purchasing the balance of plant in conjunction with the turbines.

Rurelec continues to pursue the project known as Central Illapa S.A in Chile and is awaiting the final consent to connect the Illapa project to the Northern Chilean transmission grid. However, all of the environmental and project approvals granted have been specifically based on the installation of TG50D5/701DS turbines. Due to the long lead time for delivery of essential parts the balance of plant is useful for ensuring that the turbines can be installed within the project timeframe. Rurelec has therefore expressed interest in acquiring the balance of plant and the Directors of IPSA may therefore reasonably expect to receive an offer at no less than the carrying value £4.0m.

The other pair of IPSA turbines was acquired by Bright Day of Singapore and are now held in a Singaporean company known as Blue Capital (Pty) Limited. This company has made offers of barge power to two African countries and is awaiting tender valuations. If either opportunity is contracted, Blue Capital has expressed interest in acquiring the balance of plant.

Finally, meetings have recently been held in London with a large Egyptian energy company interested in acquiring the BOP as a good fit with a large steam turbine which this company has already acquired.

Discussions continue with industry players to identify other opportunities to sell the BOP and Ethos Energy is aware of all ongoing discussions with potential to achieve a sale. A dialogue is maintained with certain senior individuals at Ethos Energy based in Italy, the U.K and in Florida who are provided with telephone and e-mail updates on the progress of all prospects for a sale of the balance of plant. Ethos provides information and facilitates inspection visits for interested parties.

The overhead costs for the Company will be reduced following disposal of Blazeway Engineering Limited, the intermediate holding company for the Company's South African subsidiary Newcastle Co-generation (Pty) Limited. The directors have confirmed that they do not intend to continue to accrue fees following the disposal and have waived fees that were outstanding up to the end of March 2015.

Following the disposal which completed on 29 February 2016, the Company is now a cash shell under the AIM Rules and its primary focus is to identify and conclude a transaction with a candidate for a reverse takeover or merger. The Company has commenced reviews of potential candidates.

The disposal of Blazeway Engineering Limited has removed a number of the Company's creditors including £1.8 million of director salary creditors and liability for the Radix loan of £566,000. Whilst these liabilities have been removed from the Company's balance sheet, its principal assets remain: a) the balance of the ancillary plant equipment which was purchased when the original four turbines were acquired, for which an independent valuation of £4.1 million has been obtained; and b) the sums still outstanding from Rurelec in respect of the sale of the two turbines.

Since these sums owed to the Company represent a surplus over the Company's liabilities, although the timing of receipt remains uncertain, the directors believe it is appropriate to adopt the going concern basis in preparing the annual report and accounts. The Company acknowledges until it is able to realise or raise sufficient funds to repay the sums due to its creditors, principally being Ethos Energy, its solvency and ability to continue as a going concern is reliant on the continued forbearance of these creditors.

3.3 Basis of consolidation

The Group financial statements consolidate those of the Company and its subsidiary undertakings drawn up to 31 March 2015.

Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights.

Unrealised gains on transactions between the Group and subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiary entities have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiaries are dealt with by the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the acquired company, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the acquired entity are included in the consolidated statement of financial position at their fair values, which are also used as the basis for subsequent measurement in accordance with the Group accounting policies.

Since the balance sheet date, the disposal of Blazeway was announced on 28 January 2016 for a total consideration of £1.9m. The sale includes 100% of the share capital of NewCogen, loss making owner of the Group's only operational asset. Under IFRS accounting standards the directors consider this an adjusting event relating to IAS 10 - Events After the Reporting Period, as the Group no longer expects to receive the future cash flows of the disposed entities. It is therefore appropriate that consolidation adjustments are made to the carrying value of Blazeway to reflect the sale proceeds. The carrying values of assets in NewCogen's financial statements are unaffected. The directors recognise that following this fundamental disposal, IPSA will become a cash shell and under AIM rule 15 will be deemed to be an investing company.

3.4 Intangible assets acquired as part of a business combination

In accordance with IFRS 3: Business Combinations, an intangible asset acquired in a business combination is deemed to have a cost to the Group of its fair value at the acquisition date. The fair value of an intangible asset reflects market expectations about the probability that the future economic benefits embodied in the asset will flow to the Group. Where an intangible asset might be separable, but only together with a related tangible or intangible asset, the group of assets is recognised as a single asset separately from the goodwill where the individual fair values of the assets in the group are not reliably measured. Where the individual fair value of the complementary assets is reliably measurable, the Group recognises them as a single asset, provided the individual assets have similar lives. Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided to write-off the cost of the intangible asset over its useful economic life.

3.5 Impairment of property, plant, equipment and intangible assets

At each reporting date, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.6 Foreign currency translation

The financial information is presented in pounds sterling, which is also the functional currency of the Parent Company.

In the separate financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of remaining balances at year end exchange rates are recognised in the income statement under "other income" or "other expenses", respectively.

In the consolidated financial statements, all separate financial statements of subsidiary entities, originally presented in a currency different from the Group's presentation currency, have been converted into sterling. Monetary assets and liabilities have been translated into sterling at the closing rate at the reporting date. Income and expenses have been converted into sterling at the average rates over the reporting period. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated in the Foreign Currency Reserve.

3.7 Income and expense recognition

Revenue from the sale of goods and services is recognised when i) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods and services which is when supply has been made, ii) the amount of revenue can be reliably measured and iii) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

In the year ended 31 March 2015 the Group's revenue comprised the sale of electricity and steam from the plant in South Africa.

Operating expenses are recognised in the consolidated statement of comprehensive income upon utilisation of the service or at the date of their origin. All other income and expenses are reported on an accrual basis.

3.8 Property, plant and equipment

Property, plant and equipment is stated at cost, net of depreciation and any provision for impairment. No depreciation is charged during the period of construction.

All operational plant and equipment in the course of construction is recorded as plant under construction until such time as it is brought into use by the Group. Plant under construction includes all direct expenditure. On completion, such assets are transferred to the appropriate asset category.

Depreciation is calculated to write down the cost or valuation less estimated residual value of all property, plant and equipment other than freehold land by equal annual instalments over their estimated useful economic lives. The periods generally applicable are:

Plant and equipment: 3 to 25 years

Material residual values are updated as required, but at least annually, whether or not the asset is revalued. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

3.9 Stock

Stock, which represents equipment bought for future projects, is valued at the lower of cost and net realisable value.

3.10 Non-current assets classified as held for sale

Assets are categorised as non-current assets classified as held for sale when the directors intend that the asset be sold rather than employed as an operating asset. Non-current assets classified as held for sale are valued at the lower of cost and fair value less costs to sell.

3.11 Borrowing costs

All borrowing costs, and directly attributable borrowing costs, are expensed as incurred except where the costs are directly attributable to specific construction projects, in which case the costs are capitalised as part of those assets.

3.12 Taxation

Current income tax assets and liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the period. All changes to current tax assets or liabilities are recognised as a component of tax expense.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising in investments in subsidiaries except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

3.13 Financial assets

The Group's financial assets include cash and cash equivalents, trade and other receivables.

Cash and cash equivalents include cash at bank and in hand as well as short term highly liquid investments such as bank deposits.

Receivables are non-derivative financial assets with fixed or determinable payment dates that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. Receivables are measured initially at fair value and subsequently re-measured at amortised cost using the effective interest method, less provision for impairment. Any impairment is recognised in Profit or Loss.

Trade receivables are provided against when objective evidence is received that the Group will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated cash flows.

3.14 Financial liabilities

Financial liabilities are obligations to pay cash or other financial instruments and are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in "finance expense" in the Statement of Comprehensive Income except to the extent that the costs are directly attributable to specific construction projects. Bank and other loans are raised for support of long term funding of the Group's operations. They are recognised initially at fair value, net of transaction costs. In subsequent periods, they are stated at amortised cost using the effective interest method. Finance charges, including premiums payable on settlement or redemption, and direct issue costs are charged to Profit or Loss on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

3.15 Hedging instruments

The Group has not entered into any derivative financial instruments for hedging or for any other purpose.

3.16 Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares;
- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue;
- "Foreign currency reserve" represents the differences arising from translation of investments in overseas subsidiaries; and
- "Profit and loss reserve" represents retained earnings.

3.17 Investment in subsidiary undertakings

The Company's investments in subsidiary undertakings are stated at cost less any provision for impairment.

3.18 Amounts due from subsidiaries

Amounts due from subsidiaries are measured initially at fair value plus transaction costs and thereafter at amortised costs.

3.19 Key assumptions and estimates

The Group makes estimates and assumptions concerning the future. The resulting estimates will, by definition, seldom equal the related actual results. The Board has considered the critical accounting estimates and assumptions used in the financial statements and concluded that the main areas of significant risk which may cause material adjustment to the carrying value of assets and liabilities within the next financial year are in respect of:

i) the value of the power plant in NewCogen, has been assessed on a value based on the sales proceeds of Blazeway the owner of 100% of NewCogen. As announced on 28 January 2016 these are £1,916k;

ii) the carrying value of the Balance of Plant, the Board recently commissioned a review by an independent expert who has confirmed that the carrying value of £4.0m represents a discount of approximately 70 to 80% of its replacement cost;

iii) the receivable from Rurelec re the deferred consideration of the 2013 turbine sale. At the balance sheet date this was £3.0m, at the date of this report this has been reduced to £1.8m. The Board has received a comfort letter from Rurelec and is satisfied that Rurelec will be in a position to settle all amounts in the coming weeks;

iv) on the basis as shown in note 15, management have classified the parent's receivables from its subsidiaries as equity in nature and hence all amounts receivable have been added to the net investment in that subsidiary. Management have performed an impairment review using discounted cash flow forecasts based on future plans and expectations. The impairment review indicated that an impairment had arisen, this has been evaluated and the impairment recorded in the parent's statements; and

v) the going concern basis for the preparation of these financial statements, further details of which are set out in note 3.2.

3.20 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group in the 31 March 2015 financial statements

At the date of authorisation of these financial statements certain new standards, amendments and interpretations to existing standards have been published but are not yet effective. The Group has not early adopted any of these pronouncements. The new Standards, amendments and Interpretations that are expected to be relevant to the Group's financial statements are as follows:

Standard/Interpretation	**Content**	**Applicable for financial Years beginning on/after**
IFRS 9 (2014)	Financial instruments:	01/01/2018

Standards and amendments to existing standards effective 1 January 2014
The following standards, amendments and interpretations became effective in 2014:

Standard/Interpretation	**Content**	**Applicable for financial Years beginning on/after**
Amendments to IAS 36*	Recoverable Amount Disclosures for Non-Financial Assets	01/01/2014
IFRS 10*	Consolidated Financial Statements	01/01/2014
IFRS 12*	Disclosure of Interests in Other Entities	01/01/2014
IAS 27* (Revised)	Separate Financial Statements	01/01/2014
IAS 28* (Revised)	Investments in Associates and Join Ventures	01/01/2014
Amendment to IFRS 10, IFRS 11 and IFRS 12*	Transition Guidance	01/01/2014
Amendment to IFRS 10*	Investment Entities	01/01/2014

Amendment to IAS 32*	Offsetting Financial Assets and Financial Liabilities	01/01/2014
IFRIC Interpretation 21*	Levies	01/01/2014

*The adoption of these Standards and Interpretation has had no material impact on the financial statement of the Group other than for the disclosure of joint venture.

IFRS 9, 'Financial instruments: Classification and measurement'
The Directors do not anticipate that the adoption of these standards and interpretations in future periods will have any material impact on the financial statements of the Group.

4 Segment analysis

IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the chief operating decision maker (considered to be the Executive Board).

Management currently identifies two operating segments, being operations in RSA (comprising the business of generating electricity and, as a by-product, the generation of steam) and the head office in the UK. Each operating segment is monitored separately and strategic decisions are made on the basis of segment operating results. The electricity is sold to a single customer and the steam is sold to two industrial customers who operate from premises adjacent to the plant.

The following table provides a segmental analysis.

Year Ended 31.3.15	**RSA £'000**	**UK £'000**	**Intergroup £'000**	**Year to £'000**
Revenue				
Electricity	3,474	-	-	3,474
Steam	175	-	-	175
Cost of Sales	(7,712)	(75)	(1,161)	(8,948)
Gross Loss	**(4,063)**	**(75)**	**(1,161)**	**(5,299)**
Administrative Expenses	(494)	(988)	-	(1,482)
Operating Loss	**(4,557)**	**(1,063)**	**(1,161)**	**(6,781)**
Other (Expense)/Income	-	(22,823)	22,745	(78)
Finance Expense	(2)	(72)	-	(74)
(Loss)/Profit for Year	**(4,559)**	**(23,958)**	**21,584**	**(6,933)**
Total Assets	6,425	8,984	(6,068)	9,341
Total Liabilities	8,095	7,581	(7,578)	8,098

Year Ended 31.3.14	**RSA £'000**	**UK £'000**	**Intergroup £'000**	**Year to £'000**
Revenue				
Electricity	3,023	-	-	3,023
Steam	684	-	-	684
Cost of Sales	(4,664)	-	-	(4,664)
Gross Loss	**(957)**	**-**	**-**	**(957)**
Administrative Expenses	(509)	(879)	-	(1,388)
Operating Loss	**(1,466)**	**(879)**	**-**	**(2,345)**
Profit on Sale of Non-Current Asset	-	3,166	-	3,166
Other Expense	(142)	(140)	-	(282)

Finance Expense	(14)	(157)	-	(171)
(Loss)/Profit for Year	**(1,622)**	**1,990**	**-**	**368**
Total Assets	6,786	31,957	(23,369)	15,374
Total Liabilities	23,855	6,594	(23,369)	7,080

5 Sensitivity analysis

The value of shareholder equity and the results for the Group are affected by changes in exchange rates, prices for electricity, steam and gas, and interest rates. The following illustrates the effects of changes in these variables.

i) Sensitivity to exchange rates.

The Group's electricity generating assets, which also provide steam to industrial customers, are located in South Africa and therefore the sterling value of the revenues and costs from this activity are affected by movements in the value of sterling versus the ZAR.

In addition to the effects arising from changes in the value of sterling relative to the ZAR, the Company's results are exposed to changes in the value of sterling versus the € in respect of the liability arising on the Turbines purchased from an Italian manufacturer since the liability is denominated in €.

The exchange rates applicable to the results for the current year and prior year were as follows:

Currency Risk:	**Year to 31.03.15**	**Year to 31.03.14**
Closing rate € to £	1.38	1.21
Average rate € to £	1.28	1.18

If exchange rates had been 10% higher or lower, the effect on the Group's results and net equity would have been:

A 10% change in the value of Sterling on result for the year €	£0.4m	£0.4m
A 10% change in the value of Sterling on net equity €	£0.4m	£0.4m

Translation Risk:	**Year to 31.03.15**	**Year to 31.03.14**
Closing rate ZAR to £	17.92	17.58
Average rate ZAR to £	17.80	16.08

If exchange rates had been 10% higher or lower, the effect on the Group's results and net equity would have been:

A 10% change in the value of Sterling on result for the year ZAR	£0.5m	£0.1m
A 10% change in the value of Sterling on net equity ZAR	£0.2m	£0.8m

ii) Sensitivity to interest rates

During the year, the Group had a number of short term interest bearing loans. A 10 per cent change in the interest rate applied to these loans would have changed the interest expense for the year by £7,000 (31.3.14: £17,000).

6 Cost of sales	**Year ended 31.03.15 £'000**	**Year ended 31.03.14 £'000**
Gas	3,167	3,081
Depreciation	564	576
Impairment charge	5,144	753
Other	73	254
	8,948	**4,664**

7 Administrative expenses	**Year ended 31.03.15 £'000**	**Year ended 31.03.14 £'000**
Payroll and social security	952	759
Other administrative expenses	493	598
Audit fees	37	31
	1,482	**1,388**

Audit fees comprise £37,000 (year to 31.3.14: £31,000) paid to the Company's auditor.

8 Profit on sale of non-current asset	**Year ended 31.03.15 £'000**	**Year ended 31.03.14 £'000**
Sale proceeds	-	16,129
Costs	-	(12,963)
Profit on sale	**-**	**3,166**

In 2007, the Company acquired four gas turbines. Following refurbishment of the turbines, the Company intended to sell the turbines to its subsidiary in South Africa which was tendering for a major power project. Due to weakening economic conditions, the project was delayed and it was decided that it was in the best interests of shareholders to sell the turbines to a third party. During 2012, two of the turbines were sold. The remaining two turbines were sold during the prior year.

9 Other expense	**Year ended 31.03.15 £'000**	**Year ended 31.03.14 £'000**
Storage and insurance charges[1]	(366)	(358)
Profit on sale of shares[2]	-	44
Foreign currency exchange gains	288	32
	(78)	**(282)**

[1] These costs relate to storage and insurance of the remaining balance of plant prior to their sale.

[2] A part of the sale consideration for the turbines was received in Rurelec PLC shares. These shares were sold during the prior year at a profit of £44,000.

[3]NewCogen PPE formed part of post balance sheet sale of Blazeway, therefore the carrying value of PPE was written down to sale proceeds.

10 Net finance expense

	Year ended 31.03.15 £'000	Year ended 31.03.14 £'000
Interest received on bank deposits	-	-
Interest expense:		
Bank interest	-	-
Loan note interest[1]	-	5
Other loans interest[2]	49	131
Other interest[3]	25	35
	74	**171**
Net finance expense	**74**	**171**

[1]Loan note interest comprises interest on the £650,000 loan note (see also note 22).

[2]Other loans interest comprises interest on other loans (see also note 22).

[3]Other interest represents an accrual for interest payable on the overdue sum due to Ethos.

11 Tax expense / (credit)

No UK corporation tax or foreign tax is payable on the results of the Group. The relationship between the expected tax credit and the tax credit actually recognised is as follows:

	Year ended 31.03.15 £'000	Year ended 31.03.14 £'000
(Loss)/Profit for the year before tax	(6,933)	368
Expected tax (credit)/charge based on standard rate of UK corporation tax (21%) (2014 – 23%)	(1,456)	85
Tax losses utilised	-	85
Addition to tax losses carried forward	**1,456**	-

No deferred tax asset has been recognised owing to uncertainty as to the timing and utilisation of the tax losses. In the event that a deferred tax asset was recognised at the reporting date, it is estimated that the value of the deferred tax asset would be £4.6m (year to 31.3.14: £3.4m) in respect of the Group and £5.8m (year to 31.3.14: £0.8m) in respect of the Company.

12 (Loss)/profit attributable to the parent company

The loss attributable to the Parent Company, IPSA Group PLC, was £24.0m (year to 31.3.14: £0.3m profit). As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account is presented in respect of the Parent Company.

13 (Loss)/profit per share

The loss per share (year ended 31.3. 14 – profit) is calculated by dividing the result for the year attributable to shareholders by the weighted average number of shares in issue during the year.

	Year ended 31.03.15	Year ended 31.03.14
(Loss)/profit attributable to equity holders of the Company	(£6.9m)	£0.4m
Average number of shares in issue	107.5m	107.5m
Basic, diluted and headline (loss)/profit per share	(6.45p)	0.34p

There is no difference between the basic and diluted earnings per share as the 6.8m warrants outstanding during the year were exercisable at a price either at or above the share price of the Company and therefore had no dilution effect.

14 Plant and equipment	**31.03.15**	**31.03.14**
	£'000	**£'000**
Cost		
At beginning of year	12,595	12,890
Addition in year	99	2,536
Exchange adjustment	(252)	(2,831)
At end of year	**12,442**	**12,595**
Depreciation		
At beginning of year	4,857	4,514
Charge for the year	564	575
Impairment charge	5,144	753
Write off of spares	75	-
Exchange adjustment	(114)	(985)
At end of year	**10,526**	**4,857**
Net book value at start of year	**7,738**	**8,376**
Net book value at end of year	**1,916**	**7,738**

Property, plant and equipment has been valued at cost. It represents the 18 MW Gas Turbines and 5.8 MW of Engine (3.8 MW currently not commissioned) plant in NewCogen.

The commissioned plant has been subject to an impairment review and the directors consider that during the year an impairment of £5.1m has arisen (2014: £0.8m). £3.9m of this impairment has occurred in RSA, the remaining £1.2m is a consolidation adjustment in the UK relating to the recoverable amount from the sale of Blazeway. The recoverable amount of this asset is established by assessing the value in use of the plant and discounting the estimated future cash flows using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset.

The main assumptions used in estimating the future cash flows include i) an asset life of 25 years, ii) continuing demand during that period for the electricity and steam generated by the plant, iii) escalation in the prices that electricity and steam will command based management's estimates and experience and iv) management's estimates of the price and availability of gas to supply the plant. The estimated future cash flows have been discounted at a rate of 10.8% (2014: 10.4%) (based on the ZAR long term borrowing rate).

As announced on 28th January 2016 the disposal of Blazeway had proceeds of £1,916K. Under IFRS accounting standards (IAS 10) the Group carrying value should reflect the value of proceeds as opposed to the future cash flows of the assets disposed of.

Impairment – NewCogen

The Directors recognise that the determination of an appropriate discount rate is judgemental and is the key assumption in the value in use calculation and therefore sensitivities were performed which address how increases in the discount rate might affect the value in use.

- Cash flows for 25 years were extrapolated using electricity escalator rates at an average of 7% based on management's view on likely electric power escalator rates.
- Cash flows were discounted using the CGU's pre-tax discount rate of 10.4%

15 Investments in subsidiary undertakings	**31.03.15**	**31.03.14**
	£'000	**£'000**
Investment in Blazeway Engineering Ltd[1]	500	500
Loans to Blazeway Engineering Ltd[2]	1,160	14,924
Loans to Newcastle Cogeneration (Pty.) Ltd[2]	5,953	7,945
Write down to Blazeway sale proceeds[3]	(5,697)	-

	1,916	**23,369**

Investments in subsidiary undertakings - movement in year

	£'000
Investment in subsidiary undertakings at 31.03.14	**23,369**
Increase in investment	135
Increase in loans	1,359
Impairment to write down to Blazeway sale proceeds[3]	(22,947)
Investment in subsidiary undertakings at 31.03.15	**1,916**

[1] Investment in Blazeway Engineering Ltd
The Company owns 100 per cent. of the issued share capital of Blazeway Engineering Ltd (a company incorporated in England and Wales, company number 5356014). The investment has been valued at cost. Blazeway Engineering Ltd owns 100 per cent. of Newcastle Cogeneration (Pty.) Ltd (a company incorporated in the RSA).

[2] Loans to Blazeway Engineering Ltd and to Newcastle Cogeneration (Pty.) Ltd
The Company has funded the construction of the plant in South Africa and the initial start-up losses with a combination of share capital (£2.8m) and loans (£22.2m). The loans were previously repayable on demand but in view of the start-up losses incurred, the Company regards the loan as quasi-equity and is no longer charging interest on the loans. As a result, the loans are classified as part of the Company's net investment in South Africa. During the prior year, ZAR 200m / £14.3m of loans from the Company to NewCogen were assigned to Blazeway Engineering Ltd. The investments in and loans to subsidiary undertakings have been subjected to an impairment review. Under IFRS accounting standards (IAS 36) it is estimated that during the year an impairment of £22.8m (2014: £1.7m) has occurred and has accordingly been deducted from the loans to Blazeway Engineering Ltd.

[3]Write down to Blazeway sales proceeds, on 28th January 2016 IPSA announced the sale of Blazeway. Under IFRS accounting standards (IAS 10) the carrying value of Blazeway investment has been adjusted to sale proceeds rather than the future earnings of its subsidiary NewCogen.

16 Trade and other receivables due in less than one year	**31.03.15 £'000**	**31.03.14 £'000**
a) Group		
Trade receivables	368	309
Deferred consideration[1]	2,963	3,194
Vat receivable	2	29
Other receivables and prepayments	89	43
	3,422	**3,575**
b) Company		
Trade receivable	24	3
Deferred consideration[1]	2,963	3,194
Vat receivable	2	19
Other receivables and prepayments	79	33
	3,068	**3,249**

[1] The deferred consideration relates to the sale of the two turbines. This receivable was due by 30.09.2015. The directors are of the view that this will be settled in the next few months and that no impairment has occurred.

All other trade and other receivables are unsecured and are not past their due dates. In the opinion of the directors, the fair values of receivables are not materially different to the carrying values shown above.

17 Stock	**31.03.15**	**31.03.14**
	£'000	**£'000**
a) Company	**-**	1,320

18 Cash and cash equivalents	**31.03.15**	**31.03.14**
	£'000	**£'000**
a) Group		
Cash at bank and in hand	**3**	61
b) Company		
Cash at bank and in hand	**-**	17

19 Assets held for sale	**31.03.15**	**31.03.14**
	£'000	**£'000**
Spares and ancillary equipment	**4,000**	**4,000**

These assets comprise spares and ancillary equipment were originally acquired in 2007 as part of a package including four turbines. The turbines have been sold and the remaining equipment is expected to be sold within the next 12 months. The figure of £4m represents the current valuation of the assets.

20 Share capital	**31.03.15**	**31.03.14**
	£'000	**£'000**
Issued and fully paid		
107,504,018 ordinary shares of 2p each	2,150	2,150

There were no changes in the share capital of the Company during the year (2014 – none).

21 Trade and other payables	**31.03.15**	**31.03.14**
	£'000	**£'000**
a) Group		
Trade payables[1]	5,375	5,540
Other payables[2]	1,777	1,302
	7,152	**6,842**
b) Company		
Trade payables[1]	4,953	5,154
Other payables[2]	1,682	1,201
	6,635	**6,355**

Trade payables include:
[1] An amount of €5.6m/£4.1m (31.3.14: €5.3m/£4.4m) claimed by Ethos (formerly Turbocare) in respect of the refurbishment work (which was completed in 2008 on the turbines) plus storage charges and interest (calculated at 1 month EURIBOR plus 1 per cent per annum on the amount outstanding). At the balance sheet date €2.9m (£2.1m) was overdue, with €2.7m (£2.0m) due within six months. The remainder (Group £1.275m, Company £0.853m) were due in less than one month. €1.4m/£1.1m has been paid since the year end.

[2] Other payables includes an accrual for directors' remuneration and salaries of £1.65m (31.3.14: £1.15m) accrued but unpaid in respect of remuneration due to the directors and one employee – see also note 27. At the balance sheet date this amount was overdue. The remainder (Group £122k, Company £32k) were due in less than one month. Since the year end the directors and one employee have waived all amounts due up to 31.03.15, this will be reflected in the next set of accounts.

22 Borrowings

	31.03.15 £'000	31.03.14 £'000
a) Group		
Other loans including accrued interest[1]	946	238
	946	**238**
b) Company		
Other loans including accrued interest[1]	946	238
	946	**238**

[1] In 2015 two new loans totalling £0.2m, to support expansion of the plant in NewCogen, were drawn down during the year. Interest on these new loans is at 5.7% per annum. The loan is repayable within 12 months. This loan has been repaid after the year end.

Additionally, a new loan of £0.5m, has been drawn down to support the parent's working capital requirements and provide £0.1m of working capital support for NewCogen. Interest on this new loan is at 1% per month. This loan is repayable 180 days after drawdown and at the balance sheet date was in default. This loan formed part of the non-cash consideration transfer of IPSA liabilities to Sloane Corporation Ltd as part of the sale of Blazeway which completed on 29th February 2016.

In 2014 a new loan of £0.2m, to support expansion of the plant in NewCogen, was drawn down during the year. Interest on this new loan is at 5.7% per annum. The loan is repayable within 12 months. This loan has been repaid after the year end.

£0.1m is denominated in ZAR, all other borrowings are denominated in sterling.

23 Financial instruments and risk management

The Group is exposed to a variety of financial risks which result from both its operating and investing risks. The Group's risk management is coordinated to secure the Group's short to medium term cash flows by minimising the exposure to financial markets. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant risks to which the Group is exposed are described below. As the Group has only one operating subsidiary, the impact on the parent Company is deemed to be materially similar to the impact on the Group.

a) Foreign currency risk
The Group's principal trading operations are based in South Africa and as a result the Group has exposure to currency exchange rate fluctuations in the ZAR relative to sterling.

b) Interest rate risk
Group funds are invested in short term deposit accounts, with a maturity of less than three months, with the objective of maintaining a balance between accessibility of funds and competitive rates of return.

c) Capital management policies and liquidity risk
The Company considers its capital to comprise its ordinary share capital, share premium, accumulated retained earnings and other reserves.

The Company's objective when maintaining capital is to safeguard the Group's ability to continue as a going concern so that it can provide returns for shareholders and other stakeholders.

The Company meets its capital needs by a combination of equity and debt funding and attempts to anticipate the future cash requirements for each project and put in place appropriate equity and debt facilities to match the funding requirements of these projects. As a result of the time taken to secure a purchaser for the Company's turbines, the Company was required during the year to obtain extensions to the repayment dates of loans and bank borrowings. Since the year-end, these loans and borrowings have been repaid.

The Group does not have any derivative or hedging instruments.

d) Credit risk

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the statement of financial position (or in the detailed analysis provided in the notes to the financial statements). Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount. The Group's trade and other receivables are actively monitored to avoid significant concentrations of credit risk. At the balance sheet date the Group and Company receivable re deferred consideration of £3.0m was due in less than six months. This receivable is now overdue, the directors expect it to be settled shortly and after review are of the opinion that no impairment has occurred. The Company's primary credit risk relates to the investment in its subsidiaries. As noted in note 3.18, this is reviewed on an annual basis.

e) Fair values

In the opinion of the directors, there is no significant difference between the fair values of the Group's and the Company's assets and liabilities and their carrying values and none of the Group's or the Company's trade and other receivables are considered to be impaired.

The financial assets and liabilities of the Group and the Company are classified as follows:

	Group Loans and Receivables	**Group Amortised Cost**	**Company Loans and Receivables**	**Company Amortised Cost**
31.03.2015	**£'000**	**£'000**	**£'000**	**£'000**
Trade and Other Receivables < 1 year	3,422	-	3,068	-
Cash and Cash Equivalents	3	-	-	-
Trade and Other Payables	-	(6,583)	-	(6,066)
Borrowings	-	(946)	-	(946)
	3,425	**(7,529)**	**3,068**	**(7,012)**
31.03.2014	**£'000**	**£'000**	**£'000**	**£'000**
Trade and Other Receivables < 1 year	3,546	-	3,230	-
Cash and cash equivalents	61	-	17	-
Trade and other payables	-	(6,841)	-	(6,356)
Borrowings	-	(238)	-	(238)
	3,607	**(7,079)**	**3,247**	**(6,594)**

In the opinion of the directors, there is no significant difference between the fair values of the Group's and the Company's financial assets and liabilities and their carrying values.

24 Capital commitments

There were no outstanding capital commitments at the year end.

25 Contingent liabilities

During the 2013 year, the Company entered into a contract for the sale of two turbines. The prospective purchaser paid a non-refundable deposit of US $3.1m (£1.9m). Under the terms of the contract, the deposit was forfeited as the purchaser failed to complete the contract. The Company has been advised that the purchaser has initiated proceedings to recover the deposit. As announced on 4th February 2016 the final appeal was rejected.

26 Related party transactions

Material transactions with related parties during the year and up the date of these accounts were as follows:

i) Charge to the Company of £60,000 by Independent Power Corporation PLC ("IPC") under a "Shared Services Agreement" for the provision of offices and other administrative services. P Earl, E Shaw and P Metcalf (deceased) were directors of IPC. P Earl is currently a director and owner of IPC. A sum of £113,000 was owing to IPC at the year-end (31.3.14: £36,000).

ii) Group salaries (short term employee benefits) payable to key management totalling £564,000 has been charged to the profit and loss account during the year (12 months to 31.3.14: £264,000).

iii) Receipt from Rurelec PLC of £0.2m in the year for payment of deferred consideration. At the year end the balance was £3.0m. Since the year end £1.2m has been received or paid to creditors on IPSA's behalf. The longstop date for settlement was 30.09.2015. The current balance of £1.8m is overdue, at the date of this report. No interest is payable of the balance outstanding. P Earl and E Shaw were directors and are shareholders in Rurelec PLC.

iv) Sale of Blazeway Engineering Ltd to Sloane Corporation Ltd, a company controlled by P Earl, for total consideration of £1.9m. The sale was announced on 28 January 2016 and completed on 29 February 2016.

Transactions between the Company, NewCogen and Blazeway Engineering Ltd:

i) New loans to NewCogen amounting to £1.3m.

No interest is currently being charged on the loans to NewCogen or Blazeway.

27 Directors' and employee costs	**Year ended 31.03.15 £'000**	**Year ended 31.03.14 £'000**
Aggregate remuneration of all employees and directors, including national insurance	**952**	**759**

The charge in respect of directors 'remuneration is as follows:

	Salary incl. NI 2015 £'000	**Fees 2015 £'000**	**Reversal of 2013 standstill £'000**	**Total 2015 £'000**
R Linnell	**-**	**45**	**23**	**68**
N Bryson	**-**	**25**	**24**	**49**
M Otto	**107**	**-**	**-**	**107**
P Earl	**22**	**-**	**38**	**60**
P Metcalf (deceased 11.14)	**41**	**-**	**20**	**61**
E Shaw	**60**	**-**	**44**	**104**
	230	**70**	**149**	**449**

Of the charge in the year the following amounts have been paid: R Linnell £23k, N Bryson £13k, M Otto £107k, P Earl nil, P Metcalf £33k, and E Shaw £30k.

In 2013 the directors agreed a 20% standstill of amounts owed at 31.3.13 subject to payment being made in an agreed timeframe. The company was unable to make these payments, so this standstill has been reversed in 2014/5.

The total accrual for unpaid salary and fees stands at £1.8m (2014: £1.1m). As part of the after date Blazeway transaction the directors and one officer agreed a waiver of salaries and fees this will result in credit in 2015/6 accounts of £0.6m.

	Salary incl. NI 2014 £'000	Fees 2014 £'000	Total 2014 £'000
R Linnell	-	45	45
N Bryson	-	25	25
M Cox	8	-	8
P Earl		4	4
M Eyre	14	-	14
P Metcalf	65	-	65
R Sampson	-	6	6
E Shaw	59	-	59
	146	**80**	**226**

The Group considers the directors to be the key management personnel.

The average number of employees in the Group, including directors, was 26 (2014: 26).

28 Post Balance Sheet Events

Since the balance sheet date, the disposal of Blazeway was announced on 28th January 2016 for a total consideration of £1.9m. The sale includes 100% of the share capital of NewCogen, loss making owner of the Group's only operational asset. Under IFRS accounting standards the directors consider this an adjusting event relating to IAS 10 - Events After the Reporting Period, as the Group no longer expects to receive the future cash flows of the disposed entities. It is therefore appropriate that entity and consolidation adjustments are made to the carrying value of Blazeway to reflect the sale proceeds. The directors recognise that following this fundamental disposal, IPSA will become a cash shell and under AIM rule 15 will be deemed to be an investing company.