Gasol Plc

Annual report and financial statements

for the year ended 31 March 2014

Registered number: 05350159

Officers and Professional Advisors

Country of incorporation and domicile	**United Kingdom**	
Legal form	**Public Limited Company**	
Directors	**Alan Buxton**	Chief Operating Officer
	Ewen Wigley	Executive Director
	Patrick Garo	Finance Director
	Haresh Kanabar	Non-Executive Director
Company secretary & registered office	**Miles Thomas** 40 New Bond Street London, W1S 2RX	
Company number	**05350159**	
Accountants	**Capita Asset Services** 1st Floor, 40 Dukes Place London, EC3A 7NH	
Auditor	**BDO LLP** 55 Baker Street London, W1U 7EU	
Solicitors	**K & L Gates LLP** One New Change London, EC4M 9AF	

Directors' Report
for the year ended 31 March 2014

The Directors' present their annual report on the affairs of the Company, together with the financial statements and auditor's report for the year ended 31 March 2014.

Going concern

The Directors have prepared these financial statements on a going concern basis. The Directors acknowledge that further funding will be required within 12 months. Further details can be found in Note 1.

Results and dividends

The results of the Company for the year ended 31 March 2014 are set out on page 10.

The Directors do not recommend payment of a dividend for the year (2013: £nil).

Directors

The names of individuals who served as Directors of the Company from 1 April 2013 are as follows:

Name of Director	
Haresh Kanabar	
Ewen Wigley	
Alan Buxton	
Patrick Garo	(appointed 1 July 2014)
Paul Biggs	(resigned 19 August 2014)
Fassine Fofana	(appointed 1 May 2013 and resigned 19 August 2014)
Rilwanu Lukman	(appointed 1 August 2013 and deceased 21 July 2014)
Cornelia Meyer	(resigned 1 August 2013)

Financial instruments

Information on the Company's use of financial instruments and management of financial risks is discussed in note 19 to the consolidated financial statements.

Disclosure of information to auditors

So far as each Director at the date of approval of this report is aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all steps that he or she ought to have taken to make himself or herself aware of any relevant audit information and to establish that the auditors are aware of that information.

Directors' Report
for the year ended 31 March 2014

Auditor

BDO LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Recommendation

The Board considers that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and it is their unanimous recommendation that shareholders support them.

On behalf of the Board of Directors:

Alan Buxton
Chief Operating Officer

11 September 2014

Strategic Report
for the year ended 31 March 2014

The Directors present their Strategic Report for the year ended 31 March 2014.

Business review and future developments

The Company has continued to make significant progress on the different aspects of its main strategic objective, which is to supply gas to gas constrained markets, where liquid fuels are currently being used for power generation.

The main elements of this strategy are:

a) to deliver regasified LNG to West Africa, b) to secure an upstream gas asset in order to eventually complement LNG by field gas, c) to become materially involved in Gas to Power infrastructure and d) to use Gasol's technical, commercial and financial experience and expertise in the regasified LNG import business, to develop other stand-alone LNG projects in gas constrained regions.

In West Africa, the project of delivering LNG to the port of Cotonou for regasification and further export through the West African Gas Pipeline ("WAGP") has achieved a major commercial milestone with the signing of a full Gas Supply Agreement with the major power generation company in Ghana, the Volta River Authority. The daily contract quantity under the Agreement is 100 mmscfd. Gasol has also already negotiated a Gas Supply Agreement with the Communaute Electrique du Benin and Togo, with a daily contract quantity of 60 mmscfd. These are obviously key steps for the project, but good progress has also been made in negotiating the supply of LNG and arranging financing. The next big milestones will be to obtain the concession in the port of Cotonou from the Authorities in Benin, and this is expected to occur before the end of 2014.

The project in Malta, in which Gasol participates in and leads an international consortium, is to deliver and regasify LNG in order to supply gas to both an existing power plant and to a newly constructed power plant built by the same consortium. This project has also progressed significantly with pre-engineering works having started and Financial Close expected towards the end of 2014.

Gasol has also submitted significant bids for LNG import projects in different parts of the world. These bids, which are under evaluation by the different authorities, demonstrate the Company's capacity to arrange, lead and structure competitive projects.

An agreed conditional purchase of GDF Suez's interests in the CI-27 gas and oil field offshore Cote d'Ivoire was successful during the year. However, the seller received exercise notices from the existing field partners, under their pre-emption rights, and therefore the acquisition could not complete. This bid has shown Gasol's capacity to structure a successful bid, both technically and financially, for an upstream asset. The Company is looking at other potential assets in the West African area.

As part of Gasol's global strategy, a certain number of strategic partnerships and alliances have been entered into that will help to support our objectives. Gasol hold a "Strategic Partnership Agreement" with African Iron Ore Group ("AIOG"), a Cooperation Agreement with China Machinery Engineering Corporation and also have acquired 47% of the shares of Afrique Energie Corporation, a Canadian registered company with an experienced management team in the oil and gas sector and which now owns 10.06% of Panoro Energy ASA.

Principal activities of the business

The principal activity of the Group is the supply of natural gas and LNG to power projects and other industrial users in West Africa and other gas constrained regions.

Strategic Report
for the year ended 31 March 2014

Key performance indicators

Key performance indicators include:

- Meeting articulated milestones on existing project opportunities
- Delivery of binding strategic alliances and project development agreements

The above key performance indicators are monitored by the Board to ensure that they are progressing as planned in a timely manner. At this stage the Board is confident that these targets are being met.

Gasol continues to develop its strategy to supply of natural gas and LNG to power projects and other industrial users in Africa.

Principal risks and uncertainties

The activities of the Company are subject to a number of risks; if any of these risks were to materialise, the Company's business, financial condition and results of future operations could be materially adversely affected. The principal risks are as follows:

- Insufficient gas: whilst the gas reserve potential of the Gulf of Guinea is well known, it may not be possible for the Company to gain access to suitable fields or economically viable to exploit them if the costs of extraction are too high or reserve levels are too low to justify investment in gas transportation or processing facilities.

- Securing viable projects: The Company does not presently carry on any trading activities directly or through any subsidiaries. The Company is dependent upon acquiring and developing LNG import and power projects that meet the Board's investment strategy. The Company cannot guarantee that it will be able to identify or develop appropriate projects meeting the objectives for which it has been established. The Company may spend some of its available funds on investigating potential projects that are subsequently rejected as being unsuitable.

- Cost of project: the cost of projects varies widely according to demand and geographic location. Project costs such as pipelines, LNG plants, regasification facilities, ships and power generation equipment, may be difficult to predict, all of which if increased will have a negative impact on the economics of a project.

- Funding: the business of the Company currently represents a mix of early stage opportunities and defined projects and these opportunities may lead to large capital intensive long-term projects which it is anticipated will not generate revenue for several years. As a result, the Company is likely to be required to obtain significant capital in the future. There is no assurance that it will be able to raise such capital when it is required or that the terms associated with providing such capital will be satisfactory to the Company. Further details are provided in Note 1.

- Political, regulatory and economic instability in the future: the Company will be exposed to various levels of political risk and regulatory uncertainties including government regulations, policies or directives relating to exploration, foreign investors, restrictions on production, price controls, export controls, income and other taxes, nationalisation or expropriation of property, partner carry, repatriation of income, royalties and environmental legislation.

Strategic Report
for the year ended 31 March 2014

- Volatility of market price of LNG: The market price of LNG is volatile at times and is affected by numerous factors that are beyond the Company's control. These include geological and seismic factors, global and regional economic and political events, international economic trends, as well as a range of other market forces. Sustained upward movements in LNG prices could render less economic, or uneconomic, any of the development projects to be undertaken by the Company.

- Other risks: Other risks arise from the inability to insure certain political and commercial risks, the inability to obtain appropriate legal redress in some overseas jurisdictions, environmental conditions.

Post balance sheet events

On the 2 May 2014, the convertible loan facility provided by BBH was repaid in full at their request.

On the 12 May 2014, it was agreed that in relation to the sale and purchase agreement for Energie Cote d'Ivorie, GDF Suez E&P International S.A. would pay a break fee of $1.8m.

On the 16 May 2014, Gasol invested into secured loan notes an initial £200,000 to PowerPerfector Group Limited ("PP") with a further £300,000 subject to PP entering into an invoice discounting facility which was completed on the 22 July 2014. The loan notes pay an interest rate of 8% per annum with a term of three years secured on assets of PP.

On the 19 May 2014 Gasol Upstream Limited, a 100% owned subsidiary, has agreed to invest $1m for 21,936,000 shares in Afrique Energie Corporation ("AEC") representing a 31.7% shareholding. A further unsecured loan of $1m has been advanced to AEC at an interest rate of 20% per annum in exchange for a further 20,000,000 shares in AEC taking its total equity holding to 47%. The loan will mature on 13 November 2014.

In relation to the investment in AEC, Gasol has agreed to unconditionally guarantee US$23 million Senior Notes maturing 13 November 2014 which have been issued by AEC. The Senior Notes have an interest rate of 20 per cent per annum.

On the 28 May 2014, AEC purchased 23,600,000 shares in Panoro Energy ASA ("Panoro") constituting 10.06% of the share capital of Panoro.

Following shareholder approval, on the 18 July 2014 trading of Ordinary Shares of the Company on AIM ceased and there was a cancellation of admission of its ordinary shares to trading on AIM on the 21 July 2014.

Alan Buxton

Chief Operating Officer

11 September 2014

Statement of Directors' Responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent Auditor's Report to the Members of Gasol PLC for the year ended 31 March 2014

We have audited the financial statements of Gasol PLC for the year ended 31 March 2014 which comprise the consolidated statement of comprehensive income, the consolidated statements of changes in equity, the company statements of changes in equity, the consolidated statement of financial position and company statement of financial position, the consolidated statement of cash flows, the company statement of cash flows 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2014 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have 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; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - going concern

In forming our opinion, which is not modified, we have considered the accuracy of the disclosures made in Note 1 to the financial statements concerning the Group's ability to continue as a going concern. The Group is reliant upon its ability to successfully raise further financing to settle existing loan repayments and fund working capital. Further the Group has agreed to guarantee Senior Notes issued by Afrique Energie Corporation. Although the Directors are confident that the Group will not be required to settle these guarantees and will be successful in raising further finance, this cannot be guaranteed and indicates a material uncertainty, which may cast significant doubt on the Group's ability to continue as a going concern. The financial statements do not

Independent Auditor's Report to the Members of Gasol PLC for the year ended 31 March 2014

include the adjustments that would result if the Company and the Group were unable to continue as a going concern.

Opinion on other matters prescribed by the Companies Act 2006

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.

Scott Knight (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
11 September 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Comprehensive Income
for the year ended 31 March 2014

	Note	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Other operating income		68,000	68,000
Administrative expenses	4	(4,022,633)	(3,381,454)
Exceptional items	4	(1,247,220)	-
Impairment of goodwill	9	(3,000,000)	-
Loss from operations		**(8,201,853)**	**(3,313,454)**
Finance income	6	100,636	14,262
Finance costs	7	(2,531,078)	(731,116)
Loss before tax		**(10,632,295)**	**(4,030,308)**
Income tax expense	8	-	-
Loss for the year		**(10,632,295)**	**(4,030,308)**

All results relate to continuing activities.

All losses and other comprehensive income for the year are attributable to equity shareholders of the parent.

The notes on pages 20 to 52 form part of these financial statements.

Consolidated Statement of Changes in Equity
for the year ended 31 March 2014

	Share capital	Share premium	Reverse acquisition reserve	Convertible loan reserve	Capital redemption reserve	Capital contribution reserve	Translation reserve	Warrant and option reserve	Accumulated losses	Total equity
	£	£	£	£	£	£	£	£	£	£
At 1 April 2013	**167,558**	**73,135,810**	**(63,104,556)**	**-**	**7,936,494**	**83,787**	**12,267**	**2,026,990**	**(22,492,194)**	**(2,233,844)**
Loss for the year	-	-	-	-	-	-	-	-	(10,632,295)	(10,632,295)
Total comprehensive income for the year									**(10,632,295)**	**(10,632,295)**
Issue of convertible loan	-	-	-	31,690	-	-	-	-	-	31,690
Convertible loan (expiration)	-	-	-	-	-	-	-	(58,944)	58,944	-
Warrants issued on lines of funding	-	-	-	-	-	-	-	22,392	-	22,392
Recognition of share based payments	-	-	-	-	-	-	-	20,185	-	20,185
At 31 March 2014	**167,558**	**73,135,810**	**(63,104,556)**	**31,690**	**7,936,494**	**83,787**	**12,267**	**2,010,623**	**(33,065,545)**	**(12,791,872)**

Consolidated Statement of Changes in Equity
for the year ended 31 March 2013

	Share capital	Share premium	Reverse acquisition reserve	Convertible loan reserve	Capital redemption reserve	Capital contribution reserve	Translation reserve	Warrant and option reserve	Accumulated losses	Total equity
	£	£	£	£	£	£	£	£	£	£
At 1 April 2012	**7,598,463**	**72,989,363**	**(63,104,556)**	**187,286**	**-**	**83,787**	**12,267**	**1,774,810**	**(18,832,049)**	**709,371**
Loss for the year	-	-	-	-	-	-	-	-	(4,030,308)	(4,030,308)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(4,030,308)**	**(4,030,308)**
Buy back and subsequent cancellation of shares	(7,936,494)	-	-	-	7,936,494	-	-	-	-	-
Loan conversion	500,000	-	-	(370,163)	-	-	-	-	370,163	500,000
Warrants issued on lines of funding	-	-	-	-	-	-	-	252,180	-	252,180
Credit to equity due to the convertible loan	-	-	-	182,877	-	-	-	-	-	182,877
Shares issued in relation to share options and warrants	5,589	146,447	-	-	-	-	-	-	-	152,036
At 31 March 2013	**167,558**	**73,135,810**	**(63,104,556)**	**-**	**7,936,494**	**83,787**	**12,267**	**2,026,990**	**(22,492,194)**	**(2,233,844)**

Consolidated Statement of Changes in Equity
for the year ended 31 March 2014

Share capital account
Share capital records the nominal value of shares in issue.

Share premium account
Share premium records the receipts from issue of share capital above the nominal value of the shares. Share premium is stated net of direct issue costs.

Capital contribution reserve
Contributions provided to entities by shareholders that are not intended by either party to be repaid are accounted for as capital contributions.

Capital redemption reserve
Capital Redemption Revere is a reserve created when a company buys it owns shares which reduces its share capital. This reserve is not distributable to shareholders and can be used to pay bonus shared issued.

Translation reserve
Translation gains and losses arising on the retranslation of net assets of subsidiaries whose presentational currency is not sterling are recognised directly in equity in the translation reserve.

Reverse acquisition reserve
A reverse acquisition reserve is established to take account of acquisitions that are deemed to be reverse acquisitions under International Financial Reporting Standards.

Accumulated losses
The accumulated loss reserve records the cumulative profits less losses recognised in the Statement of Comprehensive Income, net of any distributions and share-based payments made.

Warrant and option reserve
The warrant reserve records the fair value charge of warrants and share options issued by the Group.

Convertible loan reserve
The convertible loan reserve records the equity component of the convertible loan instrument.

The notes on pages 20 to 52 form part of these financial statements.

Company Statement of Changes in Equity
for the year ended 31 March 2014

	Share capital	Share premium	Convertible loan reserve	Warrant and option reserve	Capital redemption reserve	Accumulated losses	Total equity
	£	£	£	£	£	£	£
At 1 April 2013	**167,558**	**73,135,810**	**-**	**2,026,990**	**7,936,494**	**(85,531,314)**	**(2,264,462)**
Loss for the year	-	-	-	-	-	(10,631,889)	(10,631,889)
Total comprehensive income for the year	-	-	-	-	-	**(10,631,889)**	**(10,631,889)**
Issue of convertible loan	-	-	31,690	-	-	-	31,690
Convertible loan (expiration)	-	-	-	(58,944)	-	58,944	-
Warrants issued on lines of funding	-	-	-	22,392	-	-	22,392
Recognition of share-based payments	-	-	-	20,185	-	-	20,185
At 31 March 2014	**167,558**	**73,135,810**	**31,690**	**2,010,623**	**7,936,494**	**(96,104,259)**	**(12,822,084)**

Company Statement of Changes in Equity
for the year ended 31 March 2013

	Share capital £	Share premium £	Convertible loan reserve £	Warrant and option reserve £	Capital redemption reserve £	Accumulated losses £	Total equity £
At 1 April 2012	**7,598,463**	**72,989,363**	**187,286**	**1,774,810**	**-**	**(81,889,887)**	**660,035**
Loss for the year	-	-	-	-	-	(4,011,590)	(4,011,590)
Total comprehensive income for the year	**-**	-	-	-	**-**	**(4,011,590)**	**(4,011,590)**
Buy back and subsequent cancellation of shares	(7,936,494)	-	-	-	7,936,494	-	-
Loan conversion	500,000	-	(370,163)	-		370,163	500,000
Warrants issued on lines of funding	-	-	-	252,180	-	-	252,180
Credit to equity due to the convertible loan	-	-	182,877	-	-	-	182,877
Share-based payments	5,589	146,447	-	-	-	-	152,036
At 31 March 2013	**167,558**	**73,135,810**	**-**	**2,026,990**	**7,936,494**	**(85,531,314)**	**(2,264,462)**

Consolidated Statement of Financial Position as at 31 March 2014

Registered Number: 05350159

	Note	31 March 2014 £	31 March 2013 £
Assets			
Non-current assets			
Goodwill	9	-	3,000,000
Property, plant and equipment	10	3,200	1,397
Other receivables	11	1,523,150	-
Total non-current assets		**1,526,350**	**3,001,397**
Current assets			
Trade and other receivables	11	3,282,435	718,515
Cash and cash equivalents	18	11,695,933	6,750,255
Total current assets		**14,978,368**	**7,468,770**
Total assets		**16,504,718**	**10,470,167**
Liabilities			
Current liabilities			
Trade and other payables	12	2,177,234	656,268
Borrowings	13	1,026,360	767,325
Total current liabilities		**3,203,594**	**1,423,593**
Net current assets		**11,774,774**	**6,045,177**
Non-current liabilities			
Borrowings	13	**26,092,996**	**11,280,418**
Net liabilities		**(12,791,872)**	**(2,233,844)**
Equity			
Share capital	15	167,558	167,558
Share premium	15	73,135,810	73,135,810
Reverse acquisition reserve		(63,104,556)	(63,104,556)
Total issued equity		**10,198,812**	**10,198,812**
Capital contribution reserve		83,787	83,787
Convertible loan reserve		31,690	-
Capital redemption reserve		7,936,494	7,936,494
Translation reserve		12,267	12,267
Warrant and option reserve		2,010,623	2,026,990
Accumulated losses		(33,065,545)	(22,492,194)
Total equity attributable to equity holders of the parent		**(12,791,872)**	**(2,233,844)**

The notes on pages 20 to 52 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 11 September 2014.

Alan Buxton
Chief Operating Officer

Company Statement of Financial Position as at 31 March 2014

Registered Number: 05350159

	Note	31 March 2014 £	31 March 2013 £
Assets			
Non-current assets			
Goodwill	9	-	3,000,000
Investments	25	3	-
Property, plant and equipment	10	3,200	1,397
Other receivables	26	1,523,150	-
Total non-current assets		**1,526,353**	**3,001,397**
Current assets			
Trade and other receivables	26	3,250,983	687,065
Cash and cash equivalents	28	11,696,134	6,750,047
Total current assets		**14,947,117**	**7,437,112**
Total assets		**16,473,470**	**10,438,509**
Liabilities			
Current liabilities			
Trade and other payables	27	2,179,198	655,228
Borrowings	13	1,026,360	767,325
Total current liabilities		**3,205,558**	**1,422,553**
Net current assets		**13,267,912**	**6,014,559**
Non-current liabilities			
Borrowings	13	**26,092,996**	**11,280,418**
Net liabilities		**(12,822,084)**	**(2,264,462)**
Equity			
Share capital	15	167,558	167,558
Share premium	15	73,135,810	73,135,810
Convertible loan reserve		31,690	-
Warrant and option reserve		2,010,623	2,026,990
Accumulated losses		(96,104,259)	(85,531,314)
Capital redemption reserve		7,936,494	7,936,494
Total equity attributable to equity holders of the parent		**(12,822,084)**	**(2,264,462)**

The notes on pages 20 to 59 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 11 September 2014.

Alan Buxton
Chief Operating Officer

Consolidated Statement of Cash Flows
for the year ended 31 March 2014

	Note	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Loss before taxation		(10,632,295)	(4,030,308)
Adjustments for:			
Finance income	6	(100,636)	(14,262)
Finance costs	7	2,531,078	731,116
Depreciation charges	10	2,044	1,532
Impairment of goodwill	9	3,000,000	-
Share-based payment charge	16	86,508	99,477
Operating cash flows before movements in working capital		(5,113,301)	(3,212,445)
Increase in receivables	11	(4,087,071)	(527,677)
Increase in payables	12	951,595	247,341
Net cash used in operating activities		**(8,248,777)**	**(3,492,781)**
Cash flows from investing activities			
Interest received		6,144	26
Purchase of tangible fixed assets		(3,847)	-
Net cash received from investing activities		**2,297**	**26**
Cash flows from financing activities			
Interest paid		(1,484,734)	(67,430)
Repayment of loan	13	(364,438)	(3,008,136)
Proceeds from issue of convertible loan notes	13	-	2,519,081
Proceeds from issue of bond instruments	13	18,528,600	13,217,600
Commission costs on issue of bond instruments	13	(3,487,270)	(2,624,348)
Net cash generated from financing activities		**13,192,158**	**10,036,767**
Net increase in cash and cash equivalents		**4,945,678**	**6,544,012**
Cash and cash equivalents at beginning of year		6,750,255	206,243
Cash and cash equivalents at end of year	18	**11,695,933**	**6,750,255**

The notes on pages 20 to 52 form part of these financial statements.

Company Statement of Cash Flows
as at 31 March 2014

	Note	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Loss before taxation		(10,631,889)	(4,011,590)
Adjustments for:			
Finance income	6	(100,636)	(14,262)
Finance costs	7	2,531,078	731,116
Depreciation of property, plant and equipment	10	2,044	1,532
Impairment of goodwill	9	3,000,000	-
Share-based payment charge	16	86,508	99,477
Operating cash flows before movements in working capital		(5,112,895)	(3,193,727)
Increase in receivables	26	(4,087,068)	(527,677)
Increase in payables	27	951,186	246,813
Net cash used in operating activities		(8,248,777)	(3,474,591)
Cash flows from investing activities			
Interest received		6,144	26
Purchase of tangible fixed assets		(3,847)	-
Net cash generated from investing activities		**2,297**	**26**
Cash flows from financing activities			
Interest paid		(1,484,734)	(67,431)
Repayment of loan	13	(364,438)	(3,008,135)
Proceeds from issue of convertible loan note	13	-	2,519,081
Proceeds from issue of bond instruments	13	18,528,600	13,217,600
Commission costs on bond instruments	13	(3,487,270)	(2,624,348)
Net cash generated from financing activities		**13,192,158**	**10,036,767**
Net increase in cash and cash equivalents		**4,946,087**	**6,562,202**
Cash and cash equivalents at start of year		6,750,047	187,845
Cash and cash equivalents at end of year	28	**11,696,134**	**6,750,047**

The notes on pages 53 to 59 form part of these financial statements.

Notes to the consolidated financial statements for the year ended 31 March 2014

1. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively "IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("adopted IFRSs"), and are in accordance with IFRS as issued by the IASB.

The consolidated financial statements have been prepared under the historical cost basis, except for the revaluation of financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies are set out in note 2.

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires the Group's management to exercise judgement in the most appropriate application in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

Going concern

The Group does not currently hold sufficient cash or liquid assets in order to meet its commitments as they fall due for the next 12 months. Among its commitments the Group has guaranteed US$ 23 million Senior Notes maturing 13 November 2014 which have been issued by Afrique Energie Corporation ("AEC"), a company in which Gasol has a 47% equity interest. The directors are confident that AEC, whose principal asset is a 10% holding in Panoro Energy ASA, will be in a position, through the business proposal it is currently structuring and negotiating, to reimburse its senior notes or to renegotiate the terms, and as a consequence believe that the Group's guarantee will not be called.

The directors have prepared cash flow forecasts which also indicate that, even if the guarantee is not called, the Group will require additional funding within the next 6 to 12 months in order to meet its existing commitments such as loan repayments as they fall due.

The Group is currently involved in discussions with external investors and advisors to secure future financing arrangements in the form of debt, bond or equity instruments. The Directors believe that based on preliminary discussions the outcome will be positive. The Board is also confident that it retains the continuing support from its major shareholders to provide additional funding should other sources not be forthcoming.

With the expectation of the Group not being called on its guarantees to AEC and formally agreeing new funding from its major shareholders and other financial investors, the Directors have a reasonable expectation that the Group will have adequate resources to continue trading for the foreseeable future and have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis. However, the Directors appreciate that the current lack of formal agreements mean there can be no certainty that the additional funding will be secured within the necessary timescale or that the guarantees will not be called.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern.

Notes to the consolidated financial statements for the year ended 31 March 2014

NEW AND AMENDED IFRS STANDARDS

The IASB and IFRIC have issued the following standards and interpretations with effective dates as noted below:

Standard	**Key requirements**	**Effective date as adopted by the EU**
Amendment to IAS 1, 'Financial statement presentation regarding comparatives'	The amendment clarifies the difference between voluntary additional comparative information and the minimum required comparative information.	1 January 2013
Amendment to IAS 16, 'Property, plant and equipment'	The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment.	1 January 2013
Amendment to IAS 32, 'Financial instruments: Presentation	The amendment clarifies the treatment of corporation tax relating to distributions and transaction costs such that corporation tax related to distributions is recognised in the income statement and the corporation tax related to the costs of equity transactions is recognised in equity.	1 January 2013
Amendment to IAS 34, 'Interim financial reporting'	The amendment clarifies the disclosure requirements for segment assets and liabilities in interim financial statements to bring it in line with the requirements of IFRS 8	1 January 2013
Amendment to IFRS 7, 'Financial Instruments: Offsetting Financial Assets and Financial Liabilities'	The amendments require entities to disclose information about the rights of offset and related arrangements for financial instruments under an enforceable master netting agreement or similar agreement.	1 January 2013
IFRS 13, Fair value measurement	The standard's objective is to define fair value on the basis of an 'exit price' notion and uses a 'fair value hierarchy', which results in a market-based, rather than entity-specific, measurement.	1 January 2013

Notes to the consolidated financial statements
for the year ended 31 March 2014

STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following standards and amendments to existing standards have been published and are mandatory from the financial year on or after the effective dates shown below but are not currently relevant to the Company (although they may affect the accounting for future transactions and events).

Topic	Key requirements	Effective date as adopted by the EU
IFRS 10, 'Consolidated financial statements' and corresponding amendment to IAS 27, 'Consolidated and separate financial statements'	IFRS 10 replaces guidance in IAS 27 regarding the principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. It builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.	1 January 2014
IFRS 11, 'Joint Arrangements'	IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures Proportional consolidation of joint ventures is no longer allowed.	1 January 2014
Amendment to IAS 28, 'Associates and joint ventures'	IAS 28 includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.	1 January 2014
IFRS 12, 'Disclosure of interests in other entities'	Provides disclosure requirements for IFRS 10, IFRS 11 and IAS 28 (Associates) and introduces disclosure requirements for unconsolidated structured entities.	1 January 2014
Amendment to IAS 32, Offsetting Financial Assets and Financial Liabilities	The amendments clarify existing application issues relating to the offsetting requirements of financial assets and liabilities	1 January 2014

The Group has not adopted any Standards or Interpretations in advance of the required implementation dates. It is not expected that adoption of Standards or Interpretation which have been issued by the IASB but have not been adopted will have a material impact on the financial statements.

Notes to the consolidated financial statements for the year ended 31 March 2014

2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (the subsidiaries) made up to 31 March 2014. Control is achieved where the Company has the power to govern the financial and operational policies of an entity so as to gain benefit from its activities. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets or liabilities of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. For this reason, no non-controlling interests are recognised in these financial statements.

The Company has taken advantage of the exemption under section 408 (3) of the Companies Act 2006 and has not presented its Statement of Comprehensive Income in these financial statements. The Company's Statement of Comprehensive Income for the year ended 31 March 2014 includes a loss after tax of £7,631,889 (2013: £4,011,590).

Joint arrangements

The group has applied IFRS 11 to all joint arrangements as of 1 January 2012. Under IFRS 11 Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Gasol plc has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the group's share of losses in a joint venture equals or exceeds its interest in the joint ventures, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the group.

Goodwill

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquires and the liabilities assumed.

Notes to the consolidated financial statements for the year ended 31 March 2014

2. Significant accounting policies (continued)

Goodwill is not amortised but is reviewed for impairment annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease.

Foreign currencies

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (the functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group company are expressed in pounds sterling (£), which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Notes to the consolidated financial statements for the year ended 31 March 2014

2. Significant accounting policies (continued)

Operating profit

Operating profit is stated after charging restructuring costs and after the share of results of associates but before investment income and finance costs.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company’s liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, including those arising on investments in subsidiaries and associates and interest in joint ventures, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based upon tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Property, plant and equipment

Office equipment and fixtures and fittings are stated at cost of acquisition less accumulated depreciation and any recognised impairment loss.

Depreciation of these assets is calculated on a straight line basis as follows:

Office equipment	2 years
Fixtures and fittings	4 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Financial instruments

Financial assets and financial liabilities are recognised at fair value in the Group’s Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as a appropriate, on initial recognition except for those financial assets and liabilities held as fair value through profit or loss (‘FVTPL’) where the transaction costs is recognised in profit or loss.

Notes to the consolidated financial statements
for the year ended 31 March 2014

2. Significant accounting policies (continued)

Trade receivables

Trade receivables are generally carried at original invoice amount less a provision for bad and doubtful debts (if any) and do not bear interest. They are initially recognised at fair value, and are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade payables

Trade payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term, highly-liquid investments that are readily convertible to known amounts of cash with three months or less remaining to maturity from the date of acquisition and that are subject to an insignificant risk of change in value.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, of when it transfers the financial asset and substantially all the risks and reward of ownership of the asset to another entity.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Compound Financial Instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder. The number of shares to be issued does not vary with changes in fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Notes to the consolidated financial statements for the year ended 31 March 2014

2. Significant accounting policies (continued)

Subsequent to their initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition, except on conversion or expiry.

Derivative financial instruments

The Group entered into convertible loan notes where the conversion terms of the loan into equity are variable depending on the share price of the shares at the date of conversion. Further details of derivative financial instruments are disclosed in note 19.

Derivatives are initially recognised at fair value at the grant date and are subsequently measured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

An embedded derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 month. Other derivatives are presented as current assets or current liabilities.

Share-based payments and warrants

The Group issues equity-settled share-based payments to certain employees and warrants to institutional investors as part of funding activities. Equity-settled share-based payments and warrants are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured by use of the Black Scholes model. The expected life used in the model has been adjusted, based on management’s best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period. Actual results may vary from the estimates used to produce these financial statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant items subject to such estimates and assumptions include, but are not limited to:

Notes to the consolidated financial statements for the year ended 31 March 2014

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

The goodwill represents the potential value of the current portfolio of projects and the value is underpinned by the economic benefit of future cash flows generated from the project portfolio.

The main risks and sensitivities impacting the valuation of the goodwill relate to the following:

- ability of upstream partners to secure the gas assets;
- obtaining government approvals;
- reaching binding joint venture agreements between the parties;
- securing sufficient funding to meet expected project development costs; and
- Delivering gas within the projected timeframe.

The Directors' have made an economic assessment of the project portfolio and decided to recognise an impairment charge for the entire amount as although there is potential for future expected value, the nature of the cash generating unit that original supported that goodwill has changed, and therefore have taken the decision to recognise an impairment of £3,000,000 (see note 9).

The Directors will continue to monitor the valuation of the cash-generating units that support the goodwill.

Valuation of embedded derivatives

The convertible bond note has two components and IAS 32 requires that as the number of shares to be converted is not fixed, these be valued separately. IAS 39 requires the calculation of the fair value of the option at recognition and then fair valued at the year end. The embedded derivative has been fair valued using the Black Scholes model which requires critical judgements in order to ascertain the Group share price variability. At the year end the fair value of the embedded derivative was £54,609 (2013: £129,665). Further details can be found in note 15.

Other areas

Other estimates include but are not limited to the allowance for doubtful accounts; future cash flows associated with assets; useful lives for depreciation, depletion and amortisation and fair value of financial instruments.

Notes to the consolidated financial statements for the year ended 31 March 2014

4. Operating loss and auditor's remuneration

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Group operating loss for the year is stated after charging the following:		
Staff costs (note 5)	1,484,422	1,102,329
Depreciation of property, plant and equipment	2,044	1,532
Operating lease payments	179,588	189,531
Share-based payments (note 16)	86,508	99,477
Legal, professional and consultancy fees	954,498	1,234,752
Auditor's remuneration	30,114	31,300
Other expenses	1,285,459	722,533
Total administrative expenses	4,022,633	3,381,454
Auditor's remuneration		
- Audit of the Group and Company financial statements	23,764	24,300
- Audit of the Group's subsidiaries pursuant to legislation	3,500	3,500
Total audit fees	27,264	27,800
Other services		
- All other services	2,850	129,577

Exceptional items

During the year there were £1,247,220 transaction costs (2013: £nil) which relate to the attempted acquisition of Energie de Cote d'Ivorie S.A. These costs are not expected to be incurred on an ongoing basis and therefore have been classified as an exceptional cost.

Notes to the consolidated financial statements for the year ended 31 March 2014

5. Staff costs

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Directors' fees and emoluments (note 22)	601,542	449,416
Wages and salaries	660,657	469,451
Pension costs	76,939	70,693
Social security costs	145,284	112,769
	1,484,422	1,102,329

The average number of employees (including executive Directors) employed by the Group during the year was:	Number	Number
Management and finance	4	5
Administrative and support	6	5
	10	10

In the year ended 31 March 2014, employee remuneration included £56,939 of payments into defined contribution pension payments (2013: £54,026).

Share-based charges as remuneration totalled £nil for Executive Directors (2013: £22,535).

During the year Haresh Kanabar and Ewen Wigley received £nil (2013: £100,000) and £nil (2013: £20,000) respectively as Directors remuneration as a direct result of raising bond financing. These amounts have been disclosed as finance costs and are recognised over the term of the loan. See note 13 for more details.

6. Finance income

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Interest received on bank deposits	6,144	26
Accrued interest from related party	94,492	14,236
	100,636	14,262

Notes to the consolidated financial statements for the year ended 31 March 2014

7. Finance costs

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Convertible loan and bond instrument interest	2,038,743	252,288
Cost of borrowing – warrant award	35,271	319,189
Cost of borrowing – commission costs	1,420,195	72,666
Fair value adjustment on embedded derivatives (see note 13)	(76,861)	53,466
Foreign exchange	(895,017)	25,809
Other interest	8,747	7,698
	2,531,078	731,116

8. Taxation

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Loss before taxation	(10,632,295)	(4,030,308)
Loss before taxation at the standard rate of corporation tax in the UK of 23% (2013: 24%)	(2,445,428)	(967,274)
Effects of:		
Expenses not deductible for tax purposes	695,306	39,517
Unutilised tax losses	1,750,122	927,757
Current tax charge	-	-

The Group has incurred tax losses for the period and a corporation tax charge is not anticipated. The amount of the unutilised tax losses has not been recognised in the financial statements as the recovery of this benefit is dependent on the future profitability of certain subsidiaries, the timing of which cannot be reasonably foreseen.

If the Group makes profits in the future, unrecognised timing differences of approximately £29.6m at 31 March 2014 (2013: £21.99m) would be recognised at a rate of 21% (2013: 24%).

Notes to the consolidated financial statements for the year ended 31 March 2014

9. Goodwill

	£
Cost	
At 1 April 2012, 31 March 2013 and 31 March 2014	3,394,911
Accumulated impairment losses	
At 1 April 2012	394,911
Impairment during the year	-
At 31 March 2013	394,911
Impairment during the year	3,000,000
At 31 March 2014	3,394,911
Carrying amount	
At 31 March 2014	-
At 31 March 2013	3,000,000
At 31 March 2012	3,000,000

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ("CGUs") that are expected to benefit from that business combination. There is only considered to be one CGU in the Group which is the activities in the supply of gas and LNG to power projects and other industrial users. The initial recognition of the goodwill arose from the purchase of African LNG through reverse acquisition. At this time, the Group had a number of projects in West Africa.

Gasol's current project of importing LNG in Benin to be regasified and sold in different countries through the WAGP has now reached a significantly advanced form, especially after the signing of a full Gas Supply Agreement with the Volta River Authority. However, although the basic principles are the same, this project is in many aspects different from the projects that African LNG Holding Limited was structuring back in 2008. Therefore, management have decided to write-off the goodwill in full to reflect the change in scope despite the Company estimating that the new project in Benin has a significantly higher value in use than the £3,000,000 goodwill.

Determining whether goodwill is impaired requires an estimation of the value in use of the CGUs to which goodwill has been allocated. Details of key assumptions and variables used are outlined in note 3.

Notes to the consolidated financial statements for the year ended 31 March 2014

10. Property, plant and equipment

	Office equipment £	Fixtures and fittings £	Total £
Cost			
At 1 April 2012 and 1 April 2013	115,263	407,328	522,591
Additions	3,847	-	3,847
Disposals	(11,387)	(407,328)	(418,715)
At 31 March 2014	107,723	-	107,723
Depreciation			
At 1 April 2012	112,334	407,328	519,662
Charge for the year	1,532	-	1,532
At 31 March 2013	113,866	407,328	521,194
Charge for the year	2,044	-	2,044
Depreciation on disposal	(11,387)	(407,328)	(418,715)
At 31 March 2014	104,523	-	104,523
Carrying amount			
At 31 March 2014	3,200	-	3,200
At 31 March 2013	1,397	-	1,397
At 31 March 2012	2,929	-	2,929

No impairment losses have been realised on any property, plant and equipment during the year (2013: £nil).

Notes to the consolidated financial statements for the year ended 31 March 2014

11. Trade and other receivables

	31 March 2014 £	31 March 2013 £
Non-current assets:		
Other receivables	1,523,150	-
	1,523,150	-
Current assets:		
VAT recoverable	177,163	24,146
Prepayments and accrued income	140,133	196,298
Other receivables	1,243,401	57,331
Amounts owed by related parties	1,721,738	440,740
	3,282,435	718,515

An amount of £1,523,150 ($2,500,000) was advanced to AIOG as part of a strategic partnership agreement. This is included in non-current assets as it is not repayable until 15 January 2016. See note 20 for more details on this advance.

Included in amounts owed by related parties is a loan advanced to African Power Generation Limited ("AfGen") amounting to £1,715,304 (2013: £434,307). This debt is guaranteed by African Gas Development Corporation ("AGDC"), a major shareholder of Gasol. See note 22 for further details.

Included in current other receivables is the break fee of the proposed acquisition of the Energie de Cote d'Ivorie from GDF Suez amounting to £1.1 million (2013: £nil)

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

Notes to the consolidated financial statements for the year ended 31 March 2014

12. Trade and other payables

	31 March 2014 £	31 March 2013 £
Other taxes and social security	35,782	124,387
Accruals	468,687	186,955
Trade payables	1,672,765	344,747
Other payables	-	179
	2,177,234	656,268

The accruals balance includes a balance in relation to an unpaid Directors bonus at the year end of £nil (2013: £20,000).

Trade and other payables are significantly higher in 2014 due to costs incurred in relation to the aborted transaction fees.

The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe and no interest has been charged by any suppliers as a result of late payment of invoices during the period.

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

Notes to the consolidated financial statements for the year ended 31 March 2014

13. Borrowings

Current liabilities	31 March 2014 £	31 March 2013 £
Convertible loan note	1,002,550	741,650
Embedded derivative	54,609	57,949
Loan fees – warrant charge (note 16)	(30,799)	(32,274)
	1,026,360	767,325

Non-current liabilities	31 March 2014 £	31 March 2013 £
Convertible loan note	-	609,753
Embedded derivative	-	71,716
Bond instrument	30,828,145	13,327,746
Loan fees – warrant charge (note 16)	(116,391)	(177,115)
Loan fees – Finance costs	(4,618,758)	(2,551,682)
	26,092,996	11,280,418

The embedded derivatives attached to the convertible loans are treated as financial instruments held at fair value through profit and loss. As a result, a loss of £75,056 (2013: gain of £53,466) has been recognised in the income statement as finance costs representing the fair value adjustment. This has been calculated as the difference between the convertible option value at the grant date of the loan £54,609 and the fair value of the option at 31 March 2013 of £129,665.

The movement on each loan can be summarised as follows:

	Bond instrument 1 £	Bond instrument 2 £	Convertible loan 3 £	Convertible loan 4 £	**Total £**
Balance at 1 April 2013	10,631,826	-	648,592	767,325	12,047,743
Cash raised on new loans	-	18,528,600	-	-	18,528,600
Cash issue cost of new loans	-	(3,487,270)	-	-	(3,487,270)
Warrants issued	-	-	-	(22,392)	(22,392)
Cash repayments	(1,227,224)	(257,515)	-	(364,438)	(1,849,177)
Finance charge: coupon interest	1,286,299	694,823	26,928	30,693	2,038,743
Finance charge: other charges	924,315	523,727	15,770	(44,428)	1,419,384
FX revaluation	(1,022,685)	(501,900)	-	-	(1,524,585)
Convertible element of loan	-	-	-	(31,690)	(31,690)
Balance at 31 March 2014	**10,592,531**	**15,500,465**	**691,290**	**335,070**	**27,119,356**

Notes to the consolidated financial statements for the year ended 31 March 2014

13. Borrowings (continued)

Bond instrument 1

On 5 March 2013, a bond instrument was agreed and entered into of $100,000,000 (£66,088,000) of which an initial $20,000,000 (£13,217,600) has been drawn down. The repayment date of the bond is the 28 February 2016, with interest accruing at 10% payable semi-annually. The effective annual interest rate is 19.95%. The loan provider was granted 1,000,000 warrants in relation to the financing – see note 16 for further details.

Bond instrument 2

On 28 October 2013, a bond instrument was agreed and entered into of $100,000,000 (£58,365,070) of which an initial $30,000,000 (£18,528,600) has been drawn down. The repayment date of the bond is the 31 December 2017, with interest accruing at 9% payable semi-annually and rising to 13% on 24 October 2014 if certain conditions about subordinated pledges are not met. The effective annual interest rate is 15.95%.

Convertible loan 3

On 15 March 2013, a convertible loan agreement with Socar Trading S.A. of £670,825 was entered into of which the whole amount has been drawn down. The repayment date of the loan is the 15 March 2015, with interest accruing at 4% compounded annually, payable in full on conversion or repayment.

Repayment of the loan at the lender's option can be:

- In cash; or
- In shares - calculated as the aggregate loan plus accrued interest by a price which is the lower of (i) £0.18 and (ii) the 90 day volume weighted average price of a Share on the London Stock exchange on the date of the conversion notice, provided this is not lower than £0.05.

This option to convert the loan into shares has been treated as a separate financial instrument as an embedded derivative.

Convertible loan 4

On 30 December 2013, half of a maturing loan facility with Banque Benedict Hentsch & CIE SA ("BBH") was rolled over into a new convertible loan facility amounting to £364,438 with the remaining amount repaid in cash. The repayment date of the new facility is 30 December 2014, with interest accruing at 5% compounded annually, payable in full on conversion or repayment. As part of the new loan a further 120,000 new warrants were issued – see Note 16.

Repayment of the loan at the lenders's option will be:

- In cash; or
- In shares – calculated as the aggregate loan plus accrued interest divided by £0.30.

This option to convert the loan into shares has been treated as a convertible loan due to the amount of shares in question being fixed.

All outstanding capital and interest on this convertible loan was repaid for cash on 2 May 2014.

Notes to the consolidated financial statements for the year ended 31 March 2014

13. Borrowings (continued)

Total movements in borrowings can be summarised as follows:

Borrowings	**31 March 2014 £**	**31 March 2013 £**
Brought forward	12,047,743	2,115,440
Cash issue of new convertible loans	-	2,519,081
Cash issue of new bond	18,528,600	13,217,600
Cash repayment of convertible loans	(364,438)	(3,008,136)
Cash commission costs recognised	(3,487,270)	(2,624,348)
Repayment of convertible loan with shares	-	(500,000)
Non-cash finance charge	554,005	247,837
Recognition of equity element	-	(182,877)
Unwinding loan fees	82,653	289,717
Embedded derivative	(76,861)	53,466
Loan fees – warrant charge (note 16)	(58,944)	(152,703)
Unwinding of commission costs	1,418,453	72,666
Foreign exchange revaluation	(1,524,585)	-
	27,119,356	12,047,743

The bond instrument and the Socar Trading S.A. loan have commission costs of £3,487,270 (2013: £2,624,348) and Directors fees of £nil (2013: £120,000) which are directly attributable to the raising of the loan and have therefore been recognised as part of the cost over the term of the loan on a straight line basis.

14. Operating lease arrangements

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

Group and Company	**31 March 2014 £**	**31 March 2013 £**
Within one year	246,684	246,684
Between one and five years	596,153	842,837
Over five years	-	-
	842,837	1,089,521

At the balance sheet date, the Group had no outstanding commitment for future minimum operating lease payments after the next five years.

A sub-lease is in place with International Mining and Infrastructure Corporation plc who paid £98,511 (2013: £80,218) in rent and service charges during the year ended 31 March 2014.

The operating lease relates to the lease of office premises at 40 New Bond Street, London which will continue to run until August 2017.

Notes to the consolidated financial statements for the year ended 31 March 2014

15. Share capital

	31 March 2014 Number	31 March 2013 Number	31 March 2014 £	31 March 2013 £
Authorised:				
Ordinary shares of 0.5p each	40,000,000	40,000,000	200,000	200,000
Allotted, called up and fully paid				
Ordinary shares of 0.5p each	33,511,698	33,511,698	167,558	167,558

Movements in issued share capital

	Number of Ordinary Shares No.	Ordinary Share Capital £	Share Premium £	Number of Deferred shares No.	Deferred Shares £	Total £
As at 1 April 2012	1,519,692,521	7,598,463	72,989,363	-	-	80,587,826
Shares issued pre-share consolidation	100,000,029	500,000	-	-	-	500,000
Share consolidation	(1,587,298,689)	-	-	-	-	-
Share split	-	(7,936,494)	-	32,393,851	7,936,494	-
Share buy-back	-	-	-	(32,393,851)	(7,936,494)	(7,936,494)
Share-based payment	1,117,837	5,589	146,447	-	-	152,036
At 31 March 2013 and 31 March 2014	**33,511,698**	**167,558**	**73,135,810**	**-**	**-**	**73,303,368**

The Company has one class of ordinary share which carries no right to fixed income.

Shares reserved under warrants issued as part of the loan financing received in December 2012 and employee share schemes are further disclosed in note 16.

Notes to the consolidated financial statements for the year ended 31 March 2014

16. Share options and other share-based payments

The following illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options and warrants during the period.

	Number of share options and warrants year ended 31 March 2014	WAEP pence 2014	Number of share options and warrants year ended 31 March 2013	WAEP pence 2013
Outstanding at beginning of the year	2,595,333	132.5	1,835,333	132.5
Granted during the period	120,000	30.0	1,560,000	38.0
Lapsed during the period	(640,000)	11.64	(800,000)	93.0
Outstanding at end of the year	2,075,333	65.53	2,595,333	78.0
Exercisable at end of the year	1,875,333	66.33	2,345,333	88.0

The weighted average remaining contractual life of the options and warrants outstanding at the balance sheet date was 5.88 years (2013: 5.21 years) and a range of exercise price of 20p to 2000p

The following table lists the inputs to the model used to determine the fair value of options and warrants granted:

	Year ended 31 March 2014	Year ended 31 March 2013
Pricing model used	Black-Scholes	Black-Scholes
Weighted average share price at grant date (pence)	34	23
Weighted average exercise price (pence)	30	38
Weighted average contractual life (years)	1.00	4.13
Share price volatility (%)	139%	129%
Dividend yield	0%	0%
Risk-free interest rate (%)	2.5%	2.5%

In forming the volatility assumptions the Directors have considered the volatility of the share price since the date of listing. The volatility of companies operating in the same sector has also been reviewed.

The total share-based payment expense for the year ended 31 March 2014 was £86,508 (2013: £99,477) in relation to share options and warrants. Of this, £11,777 (2013: £67,202) related to share options and £74,731 (2013: £32,275) related to the warrants issued. Warrants costs are held as a debit balance against the loan issued and released to the income statement over the term of the loan. As at 31 March 2014 £147,190 (2013: £209,389) is deferred against the loan to match the life of the borrowings (note 13).

Notes to the consolidated financial statements for the year ended 31 March 2014

16. Share options and other share-based payments (continued)

On 30 December 2013 the loan advanced by Banque Benedict Hentsch & CIE SA was partially repaid. The remaining £364,438 was rolled over, carrying an interest rate of 5%, of which repayment may be made in cash or in shares in Gasol. Attached to this convertible loan are 120,000 warrants instruments with an exercise price being 30 pence.

Ordinary shares resulting from the exercise of any such rights will rank pari passu in all respects with the Gasol ordinary shares in issue at the time of such exercise.

All share-based payments are equity-settled.

17. Subsidiaries and joint ventures

Details of the Company's subsidiaries and joint ventures at 31 March 2014 are as follows:

Name	Place of incorporation (or registration) and operation	Activity	Proportion of ownership interest %	Proportion of voting power held %
African LNG Holdings Limited	The Republic of Seychelles	LNG operations	100%	100%
African LNG Services Limited	United Kingdom	Services company	100%	100%
Afgas Infrastructure Limited	The Republic of Seychelles	Infrastructure development	75%	75%
Afgas Nigeria Limited	Nigeria	Energy research	75%	75%
SONAF G.E.S.A	Equatorial Guinea	Energy research	50%	50%

The investment in the 50% of SONAF has been consolidated using the proportional consolidation method. In 2011 a provision was made against amounts due from the joint venture.

Notes to the consolidated financial statements for the year ended 31 March 2014

18. Cash and cash equivalents

	31 March 2014 £	31 March 2013 £
Cash at hand and in bank	11,695,933	6,750,255

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with an original maturity of three months or less.

The majority of the cash balances are held at banks with a Standard and Poor's credit rating of at least AA- and registered in the United Kingdom. Balances held with foreign banks are insignificant.

There is no significant difference between the carrying value and fair value of cash and cash equivalents.

Notes to the consolidated financial statements for the year ended 31 March 2014

19. Financial instrument risk exposure and management

The Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Borrowings
- Embedded derivatives financial instruments

Financial instruments by class and by category

	Loans and Receivables	
	31 March 2014	**31 March 2013**
	£	**£**
Non-current financial assets		
Trade and other receivables	1,523,150	-
Current financial assets		
Trade and other receivables	2,965,139	498,071
Cash and cash equivalents (level 1)	11,695,933	6,750,255
Total financial assets	**16,184,222**	**7,248,326**

	Financial liabilities measured at amortised cost	
	31 March 2014	**31 March 2013**
	£	**£**
Current financial liabilities		
Borrowings (level 2)	1,026,360	709,376
Accruals	468,687	186,953
Trade and other payables	1,672,764	344,925
	3,167,811	1,241,254
Non- current financial liabilities		
Borrowings (level 2)	26,092,996	11,208,418
Total financial liabilities	**29,260,807**	**12,449,672**

Notes to the consolidated financial statements for the year ended 31 March 2014

19. Financial instrument risk exposure and management (continued)

	Financial liabilities measured at fair value through profit and loss	
	31 March 2014	**31 March 2013**
	£	**£**
Current financial liabilities		
Embedded derivatives	54,609	57,949
Non- current financial liabilities		
Embedded derivatives	-	71,716

All financial instruments, except derivatives, are defined as any contract that gives rise to both the recognition of a financial asset in one entity and a financial liability or equity instrument in another entity. The estimated fair value of a financial instrument is the amount at which the instrument could be exchanged in the market. For the purpose of estimating the fair value of financial assets maturing in less than one year, the Group uses the market value. For other investments, the Group uses quoted prices in the market. In relation to financial liabilities, since most loans are taken at variable rates or fixed rates that approximate to market rates, the fair value of loans approximates their carrying value.

Set out below is a comparison of the carrying amount and fair values of the Group's financial instruments.

The different levels have been defined as follows:

Level 1: valued using trading prices (unadjusted) in active markets for identical assets and liabilities;

Level 2: valued using inputs that are observable for the asset or liability, either directly (that is as prices), or indirectly (that are derived from prices); and

Level 3: valued using inputs that are not observable for the asset or liability.

The directors consider that the carrying amounts of financial assets and financial liabilities which are recorded at amortised cost in the financial statements approximate their fair values for current and non-current loans.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The Board receives monthly reports from the Group Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set polices that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below and in note 2 of these financial statements:

Credit risk

Cash and cash equivalents

The Group's principal financial assets are bank balances and trade and other receivables.

Notes to the consolidated financial statements for the year ended 31 March 2014

19. Financial instrument risk exposure and management (continued)

Credit risk arises principally from the Group's cash balances with further risk arising due to its other receivables. Credit risk is the risk that the counterparty fails to repay its obligation in respect of the amounts owed.

The concentration of the Group's credit risk is considered by counterparty, geography and by currency. The Group has a significant concentration of cash held on deposit with a number of large banks in the United Kingdom with A ratings and above (Standard and Poor). At 31 March 2014 the concentration of credit risk was as follows:

Counterparty	31 March 2014 £	31 March 2013 £
HSBC Bank Plc	596	656
Barclays Bank Plc	11,692,879	6,746,744
Other banks	2,458	2,855
	11,695,933	6,750,255

Trade receivables

At the year end, the credit risk relates to two outstanding receivable balances. There is an amount owed to the Group from Afgen which are amounts extended as working capital which are repayable with additional 10% interest. This amounts to £1,715,305 (2013: £434,307) and is considered recoverable through a discount on the price option to purchase shares. This debt is guaranteed by AGDC, a major shareholder of Gasol. There is also an amount of £1,523,150 ($2,500,000) which was advanced to AIOG, as part of a special strategic alliance. This amount is recoverable on the 15th January 2016 contingent on whether a project identified is entered into.

As the overall exposure to trade and other receivables is not currently extensive, no formal procedure is in place for monitoring and collecting amounts owed to Gasol. A risk management framework will be developed over time, as appropriate to the size and complexity of the business.

No trade and other receivables are past their due settlement date. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value and no impairment has been deemed necessary in the year (2013: £nil).

An allowance for impairment is made where there is an identified loss amount, which, based on previous experience, is evidence of a reduction in the recoverability of cash flows. Management considers the above measures to be sufficient to control credit risk exposure.

The total estimated credit risk of the Group at 31 March 2014 was £15,122,433 (2013: £7,266,517).

Notes to the consolidated financial statements for the year ended 31 March 2014

19. Financial instrument risk exposure and management (continued)

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

The Group monitors its cash balance on a daily basis and produces forecasts of its required expenditure over the coming year for review by management. Management can then take action to secure the right amount of funding at the appropriate time. At the period end the projections indicate that the Group expects to have sufficient access to liquid resources to meet its obligations.

There is no significant difference between the carrying value and fair value of the current and non-current financial liabilities recorded in the Group's balance sheet.

Maturity of financial liabilities

At 31 March 2014	**Payable within 30 days £**	**Payable between 30 days and one year £**	**Due after one year £**
Accruals	468,687	-	-
Trade and other payables	1,672,764	-	-
Borrowings	-	1,026,360	26,092,996
Embedded derivatives	-	54,609	-
Total financial liabilities	**2,141,451**	**1,080,969**	**26,092,996**

Notes to the consolidated financial statements for the year ended 31 March 2014

19. Financial instrument risk exposure and management (continued)

At 31 March 2013	Payable within 30 days £	Payable between 30 days and one year £	Due after one year £
Accruals	186,953	-	-
Trade and other payables	344,925	-	-
Borrowings	-	709,376	11,208,702
Embedded derivatives	-	57,949	71,716
Total financial liabilities	**531,878**	**767,325**	**11,280,418**

Market risk

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The Group has interest bearing assets and liabilities, being cash and cash equivalents, other receivables and borrowings respectively. However, no interest is currently received in cash and cash equivalents and all borrowings are subject to fixed interest rates. The Group therefore does not suffer from any interest rate risk and consequently sensitivity analysis is not considered necessary.

Foreign currency risk

As highlighted earlier in these financial statements, the functional currency of the Company is £ sterling. The Company also has foreign currency denominated assets and liabilities. Exposures to exchange rate fluctuations therefore arise. The carrying amount of the Company's foreign currency denominated monetary assets and liabilities, all in US $, are shown below in the Company's functional currency.

	31 March 2014 £	31 March 2013 £
Cash at bank	11,695,933	6,342,777
Borrowings	(27,119,356)	(13,150,632)
	(15,423,423)	(6,807,855)

Notes to the consolidated financial statements for the year ended 31 March 2014

19. Financial instrument risk exposure and management (continued)

The Company's main exposure to foreign currency risk is on the convertible loan and the bond instruments issued during the year in US $ where interest is payable in dollars (see note 13).

The Company also pays for all invoices denominated in a foreign currency in GBP £. The Company therefore does suffer from a level of transactional foreign currency risk. Due to the minimal level of foreign transactions; the directors currently believe that foreign currency risk is at an acceptable level.

The Company does not enter into any derivative financial instruments to manage its exposure to foreign currency risk.

The following table details the Company's sensitivity to a 10% increase and decrease in the US$ against Sterling. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The table below shows the effect of a 10% weakening and strengthening of the US$ against £ Sterling.

	$ Currency impact strengthening £	**$ Currency impact weakening £**
2014		
Assets	1,850,351	(1,850,351)
Liabilities	(5,160,690)	5,160,690
	(3,310,339)	3,310,339

	$ Currency impact strengthening £	**$ Currency impact weakening £**
2013		
Assets	963,423	(963,423)
Liabilities	(2,090,637)	2,090,637
	(1,127,214)	1,127,214

Notes to the consolidated financial statements for the year ended 31 March 2014

20. Contingent asset

Gasol Plc entered into a strategic partnership agreement with AIOG on the 28 March 2014. Gasol Plc advanced US$2,500,000 to AIOG. The interest is to start accruing on the outstanding principal calculated from the day it is advanced to AIOG. Gasol Plc made the advance on 15th January 2014. The advance, less any introduction fees agreed between the parties, is payable at the end of the Partnership term. If no projects are entered into, the advance shall be repaid together with interests at 15% per annum.

As at 31 March 2014 the above agreement had accrued interest receivable of £49,168 in accordance with the terms of the loan. However this only becomes payable on the condition that a first project occurs therefore this interest amount is classified as a contingent asset due the uncertainty of the income. As a contingent asset it cannot be recognised in the accounts but is to be disclosed in the current year. It will be recognised in the accounts when the realisation is virtually certain, and as such no longer a contingent asset.

21. Capital management

The Group's objective when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio, being net debt (borrowings less cash and cash equivalents) divided by total capital (equity plus net debt). In previous periods the Group funded itself primarily through equity funding on the AIM market.

	31 March 2014 £	31 March 2013 £
Total borrowings (note 13)	27,119,356	12,047,743
Less: cash and cash equivalents	(11,695,933)	(6,750,255)
Net debt	15,423,423	5,297,488
Total equity	(9,791,875)	(2,233,844)
Total capital	5,631,548	3,063,644
Gearing ratio	**274%**	**173%**

Notes to the consolidated financial statements for the year ended 31 March 2014

22. Related party transactions

The following transactions were carried out with related parties:

Services received

	31 March 2014 £	31 March 2013 £
Mr Ethelbert Cooper	190,000	120,000

Mr Ethelbert Cooper, who has a beneficial interest (through an intermediary company) in African Gas Development Corporation Limited ("AfGas") is a special advisor to the Gasol Board of Directors. AfGas is a major shareholder of the Company. He has received £190,000 (2013: £120,000) in respect of his services to Gasol in the year to 31 March 2014.

Services provided

	31 March 2014 £	31 March 2013 £
IMIC plc	98,511	80,218
Aftrade	68,000	68,000
AIOG	2,431	2,813
	168,942	151,031

Rent and service charges receivable in respect of the sub-lease to IMIC plc, of which Mr Haresh Kanabar is non-executive chairman, amounted to £98,511 (2013: £80,218). This is netted against the rental expense in administration expenses.

Gasol have an agreement with Aftrade SA ('Aftrade' formally African Gas Trading & Services SA), a wholly-owned subsidiary of AfGas to provide office space and general admin and support services. Gasol have a licence agreement with Aftrade for which £68,000 (2013: £68,000) was paid during the year ended 31 March 2014. Amounts receivable at the year end were offset against amounts due to Mr Ethelbert Cooper.

Gasol recharged IT support to AIOG, amounting to £2,431 (2013: £2,813). AIOG is a related party connected by Mr Ethelbert who is the chairman of AIOG.

Year-end balances arising from services received / provided

	31 March 2014 £	31 March 2013 £
Payables to related parties:		
IMIC (rent deposit)	19,389	19,389
Aftrade (rent deposit)	5,667	5,667
	25,056	25,056
Receivables from related parties:		
Aftrade	6,433	6,433
AIOG	586	2,081
	7,019	8,514

Notes to the consolidated financial statements for the year ended 31 March 2014

22. Related party transactions (continued)

Loans to/from related parties

AfGen a company in which Mr Ethelbert Cooper has an indirect beneficial interest, owes the Group £1,715,305 (2013: £434,307). This loan is included in amounts owed from related parties. The sums have been advanced under the terms of the option that Gasol has to acquire AfGen which are to be used for working capital purposes and which bear interest at 10% per annum.

Key management remuneration

Directors' remuneration

The key management personnel of the Group are the Directors of Gasol, the remuneration of which is show below:

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Short term employee benefits to Executive Directors	444,000	366,083
Short term employee benefits to Non-Executive Directors	157,542	203,333
Post employee benefits	-	-
Total Directors' remuneration	601,542	569,416

There were no pension benefits accruing to Directors under defined benefit schemes in the year (2013: £nil). The aggregate emoluments for Executive Directors include £20,000 (2013: £16,667) of contributions to a personal pension plan.

No Director exercised any share options during the year (2013: £nil).

The highest paid Director received total emoluments in the year in respect of service of £270,000 (2013: £202,083).

Gasol has purchased an insurance policy to protect Directors and Officers of Gasol in the event of any legal action being taken against them relating to the period that they hold office. In the year ended 31 March 2014, the cost of this insurance was £11,327 (2013: £17,777) and was borne entirely by Gasol.

At the year end, amounts due to the Directors relating to bonuses of £nil (2013: £20,000) and the related national insurance contribution totalled £nil (2013: £2,760) were outstanding.

23. Ultimate Controlling party

At 31 March 2014, the Company's immediate undertaking is Afgas by virtue of its 65.7% holding, a Company incorporated and registered in the Seychelles. The ultimate controlling party is the Klone Trust the ultimate parent company of Afgas, a private company

Afgas has entered into a relationship agreement which restricts its ability to appoint and remove directors.

Notes to the consolidated financial statements for the year ended 31 March 2014

24. Subsequent events

On the 6 May 2014, the convertible loan facility provided by BBH was repaid in full at their request.

On the 12 May 2014, it was agreed that in relation to the sale and purchase agreement for Energie Cote d'Ivorie, GDF Suez E&P International S.A. would pay a break fee of $1.8m.

On the 16 May 2014, Gasol invested into secured loan notes an initial £200,000 to PowerPerfector Group Limited ("PP") with a further £300,000 subject to PP entering into an invoice discounting facility. The loan notes pay an interest rate of 8% per annum with a term of three years secured on assets of PP.

On the 19 May 2014 Gasol Upstream Limited, a 100% owned subsidiary, has agreed to invest $1m for 21,936,000 shares in Afrique Energie Corporation ("AEC") representing a 31.7% shareholding. A further unsecured loan of $1m has been advanced to AEC at an interest rate of 20% per annum in exchange for a further 20,000,000 shares in AEC taking its total equity holding to 47%. The loan will mature on 13 November 2014.

In relation to the investment in AEC, Gasol has agreed to unconditionally guarantee US$23 million Senior Notes maturing 13 November 2014 which have been issued by AEC. The Senior Notes have an interest rate of 20 per cent per annum.

On the 28 May 2014, AEC purchased 23,600,000 shares in Panoro Energy ASA ("Panoro") constituting 10.06% of the share capital of Panoro.

Following shareholder approval, on the 18 July 2014 trading of Ordinary Shares of the Company on AIM ceased and there was a cancellation of admission of its ordinary shares to trading on AIM on the 21 July 2014.

Notes to the company financial statements for the year ended 31 March 2014

The parent company financial statements of Gasol PLC ("the Company") are presented as required by the Companies Act 2006 and was approved for issue on 11 September 2014. The balance sheet was signed on the board's behalf by Alan Buxton.

Notes to the Company financial statements have only prepared where there is a difference to the consolidated financial statements.

Significant accounting policies of the Group as detailed in note 2 of the Group financial statements have been applied in the preparation of the Company financial statements except as described below.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment

25. Investments in subsidiary undertakings and goodwill

The value of the subsidiaries owned by the Company at 31 March 2014 is as follows:

	Investments £
Cost	
At 1 April 2012 and 31 March 2013	400,000
Additions	3
31 March 2014	400,003
Impairment	
At 1 April 2012, 31 March 2013 and 31 March 2014	400,000
Carrying amount	
At 31 March 2013	-
At 31 March 2014	3

See note 9 of the consolidated financial statements for detail on the goodwill.

Notes to the company financial statements for the year ended 31 March 2014

26. Trade and other receivables

	31 March 2014 £	31 March 2013 £
Non-current assets:		
Other receivables	1,523,150	-
	1,523,150	-
Current assets:		
Trade receivables	19,904	2,081
VAT recoverable	177,163	24,147
Other receivables	1,192,045	-
Prepayments and accrued income	140,133	220,097
Amounts owed by related parties	1,721,738	440,740
	3,250,983	687,065

Due to the uncertainty surrounding the success of ongoing projects the amounts due to the Company from subsidiary undertakings have been fully impaired. An impairment during the year of £nil making a total impairment of £nil (2013: £2,706,034) has been made against outstanding receivables from subsidiaries. The Directors will continue to assess the recoverability of these receivables.

An amount of £1,523,150 ($2,500,000) was advanced to AIOG as part of a special partnership agreement. This is included in non-current assets as it is not repayable until 15 January 2016. See note 20 for more details on this advance.

Included in amounts owed by related parties is a loan advanced to AfGen amounting to £1,715,304 (2013: £434,307). This debt is guaranteed by AGDC, a major shareholder of Gasol. See note 22 for further details.

Included in current other receivables is the break fee of the proposed acquisition of the Energie de Cote d'Ivorie from GDF Suez amounting to £1.1 million (2013: £nil)

The Directors consider that the carrying amount of the remaining trade and other receivables approximates to their fair value.

Notes to the company financial statements for the year ended 31 March 2014

27. Trade and other payables

	31 March 2014 £	31 March 2013 £
Other taxes and social security	35,782	124,388
Accruals	461,811	180,077
Trade payables	1,672,629	340,586
Other payables	8,976	10,177
	2,179,198	655,228

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 165 days (2013: 46 days).

Trade and other payables are significantly higher in 2014 due to costs incurred in relation to the aborted transaction fees.

There is a balance in relation to an unpaid Directors bonus at the year end of £nil (2013: £20,000)

The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. No interest has been charged by any suppliers as a result of late payment of invoices during the period.

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

28. Cash and cash equivalents

	31 March 2014 £	31 March 2013 £
Cash at hand and in bank	11,696,134	6,750,047

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with an original maturity of three months or less.

The majority of the cash balances are held at banks with a Standard and Poor's credit rating of at least AA- and registered in the United Kingdom.

There is no significant difference between the carrying value and fair value of cash and cash equivalents.

The amount of cash and cash equivalents denominated in currencies other than sterling is shown in note 32 to these financial statements.

Notes to the company financial statements for the year ended 31 March 2014

29. Financial instrument risk exposure and management

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Amounts owed by subsidiaries
- Cash at bank
- Trade and other payables
- Borrowings
- Embedded derivative financial instruments

Financial instruments by class and by category

	Loans and Receivables	
	31 March 2014	**31 March 2013**
	£	**£**
Non-current financial assets		
Other receivables	1,523,150	-
Current financial assets		
Trade and other receivables	2,933,687	442,821
Cash and cash equivalents	11,696,134	6,750,047
Total current financial assets	**16,152,971**	**7,192,868**

Trade and other receivables are stated inclusive of amounts owed by subsidiaries and other related parties of £4,429,149 (2013: £3,132,538). A provision for non-recoverability of £2,707,411 (2013: £2,706,034) has been made against this amount and is included in trade and other receivables.

Notes to the company financial statements for the year ended 31 March 2014

29. Financial instrument risk exposure and management (continued)

	Financial liabilities measured at amortised cost	
	31 March 2014	31 March 2013
	£	£
Current financial liabilities		
Accruals	461,811	180,077
Trade and other payables	1,672,629	350,763
Borrowings	1,026,360	709,376
	3,160,800	1,240,216
Non-current financial liabilities		
Borrowings	26,092,996	11,208,702
Total financial liabilities	**29,253,796**	**12,448,918**

	Financial liabilities measured at fair value through profit and loss	
	31 March 2014	31 March 2013
	£	£
Current financial liabilities		
Embedded derivatives	54,609	57,949
Non- current financial liabilities		
Embedded derivatives	-	71,714

General objectives, policies and processes

The Company's risk management objectives and policies are aligned with those of the Group and are outlined in note 19 to the consolidated financial statements.

Further details regarding the Company's exposure to risks from the use of financial instruments are set out below:

Credit risk

Credit risk arises principally from the Company's cash balances and amounts owed from subsidiaries. Credit risk is the risk that the counterparty fails to repay its obligation in respect of the amounts owed.

Cash and cash equivalents

The exposure to credit risk arising from cash and cash equivalents is discussed in note 19.

There is no significant difference between the carrying value and fair value of cash and cash equivalents.

Notes to the company financial statements for the year ended 31 March 2014

29. Financial instrument risk exposure and management (continued)

Trade and other receivables

At the year end, the credit risk relates to two outstanding receivable balances. There is an amount owed to the Company from African Power Generation Limited ('Afgen') which are amounts extended as working capital which are repayable with additional 10% interest. This amounts to £1,715,305 (2013: £434,307) and is considered recoverable through a discount on the price option to purchase shares. This debt is guaranteed by AGDC, a major shareholder of Gasol. There is also an amount of £1,523,150 ($2,500,000) which was advanced to AIOG, as part of a special strategic alliance. This amount is recoverable on the 15th January 2016 contingent on whether a project identified is entered into.

As the overall exposure to trade and other receivables is not currently extensive, no formal procedure is in place for monitoring and collecting amounts owed to Gasol. A risk management framework will be developed over time, as appropriate to the size and complexity of the business.

Following total provisions for impairment of £2,707,411 (2013: £2,706,034) being made against receivables from subsidiaries, there is no significant difference between the carrying value and fair value of trade receivables.

An allowance for impairment is made where there is an identified loss amount, which, based on previous experience, is evidence of a reduction in the recoverability of cash flows. Management considers the above measures to be sufficient to control credit risk exposure.

Amounts owed by subsidiaries

Gasol lends money to subsidiaries to fund their working capital requirements. These amounts are repayable on demand at the request of Gasol, although due to the long term nature of the projects being funded, it is intended that repayment will not be requested until the subsidiaries generate sufficient revenues.

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy in relation to liquidity risk is aligned with that of the Group and is outlined in note 19 to the consolidated financial statements.

There is no significant difference between the carrying value and fair value of the current and non-current financial liabilities recorded in the Company's balance sheet.

Notes to the company financial statements for the year ended 31 March 2014

29. Financial instrument risk exposure and management (continued)

Maturity of financial liabilities

At 31 March 2014	Payable within 30 days £	Payable between 30 days and one year £	Payable after one year £
Accruals	461,811	-	-
Trade and other payables	1,672,629	-	-
Embedded derivatives	-	54,609	-
Borrowings	-	1,026,360	26,092,996
Total financial liabilities	**2,134,440**	**1,080,969**	**26,092,996**

At 31 March 2013	Payable within 30 days £	Payable between 30 days and one year £	Payable after one year £
Accruals	180,077	-	-
Trade and other payables	350,763	-	-
Embedded derivatives	-	57,949	71,714
Borrowings	-	709,376	11,208,702
Total financial liabilities	**530,840**	**767,325**	**11,280,416**

Market risk

The Groups activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The Group has interest bearing assets and liabilities being cash and cash equivalents, other receivables and borrowings respectively however no interest is currently received in the cash and cash equivalents and all borrowings are subject to fixed interest rates. The Group therefore does not suffer from any interest rate risk and sensitivity analysis is no considered necessary.

Foreign currency risk

The Company’s foreign currency risks and assets and liabilities held in foreign currencies are identical to those that the Group faces and are outlined in note 19 to the consolidated financial statements.