



HM Government of Gibraltar

Office of the Minister for Education,
Heritage, Environment, Energy
and Climate Change

Your Ref:
Our Ref:

9th March 2017

Mr P Martinez
Clerk to the Gibraltar Parliament
156 Main Street
Gibraltar

Dear Paul

I enclose a copy of the Principal Auditor's Audited Accounts of the Gibraltar Electricity Authority for the Financial Year ended 31 March 2015, containing corrections to minor typographical errors. The amended pages are 3, 8 and 9.

Yours sincerely



Hon Dr John Cortes
Minister for Education, Heritage, Environment, Energy and Climate Change
Chairman, Gibraltar Electricity Authority



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1. Gibraltar Electricity Authority accounts for the financial year ended 31 March 2015.
2. Appendix Pages 3, 8 and 9 corrected.



Gibraltar Audit Office

Report of the Principal Auditor

on the Accounts of the
Gibraltar Electricity Authority
for the financial year ended
31 March 2015

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Gibraltar Audit Office

THE CERTIFICATE OF THE PRINCIPAL AUDITOR TO THE PARLIAMENT

I certify that I have audited the financial statements of the Gibraltar Electricity Authority for the financial year ended 31 March 2015 in accordance with the provisions of Section 25(4) of the Gibraltar Electricity Authority Act 2003. These statements comprise the Receipts and Payments Account, the Capital Account, the Balance Sheet and the related notes. These financial statements have been prepared using the cash receipts and disbursements basis of accounting.

Respective responsibilities of the Gibraltar Electricity Authority and the Principal Auditor

The Gibraltar Electricity Authority is responsible for the preparation of the financial statements and for being satisfied that they are properly presented. The Gibraltar Electricity Authority's policy is to prepare the financial statements on the cash receipts and disbursements basis as prescribed by Section 25(2A) of the Gibraltar Electricity Authority Act 2003. On this basis revenue is recognised when received rather than when earned, and expenses are recognised when paid rather than when incurred.

My responsibility is to audit, certify and report on the financial statements in accordance with the provisions of Section 25(4) of the Gibraltar Electricity Authority Act 2003. I conducted my audit of the financial statements in accordance with generally accepted government auditing standards.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Gibraltar Electricity Authority's circumstances and have been consistently applied and adequately disclosed; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the Chief Executive's Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities, which govern them.

Opinion on regularity

In my opinion, in all material respects, the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities, which govern them.

Opinion on financial statements

In my opinion, the financial statements properly present the revenue collected and expenses paid by the Gibraltar Electricity Authority during the financial year ended 31 March 2015 and the assets and liabilities arising from cash transactions as at the end of that period in accordance with the cash receipts and disbursements basis of accounting.

Opinion on other matters

In my opinion, the information given in the Chief Executive's Report for the financial year in which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters, which I report to you if, in my opinion:

- proper books of account have not been kept by the Gibraltar Electricity Authority, so far as appears from the examination of those books; or
- I have not obtained all of the information and explanations which to the best of my knowledge and belief were necessary for the purposes of the audit; or
- the Gibraltar Electricity Authority has not discharged its financial duties and obligations in accordance with the provisions of the Gibraltar Electricity Authority Act 2003; or
- the financial statements are not in agreement with the accounting records.

Report

The observations on the financial statements are detailed in my Report that follows.



J C Posso
Principal Auditor
15 December 2015

Gibraltar Audit Office
Elmslie House
51/53 Irish Town
Gibraltar

GIBRALTAR ELECTRICITY AUTHORITY
ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

REPORT

1.1.1 Recurrent Account – Contribution: The overall Government of Gibraltar recurrent contribution during the financial year 2014-15 to the Gibraltar Electricity Authority (GEA) amounted to £53,733,055 compared to an approved allocation of £55,179,000 and compared to the previous financial year's overall recurrent contribution totalling £54,665,194.

1.1.2 The overall recurrent contribution was comprised of the following components:

- (i) the Contribution from revenues received by the Government amounted to £24,618,993, compared to an approved budget allocation of £25,171,000 and to the previous year's actual contribution totalling £25,276,549. These receipts were in respect of the sale of electricity to consumers (£24,551,366), electricity connection fees (£65,700) and miscellaneous receipts (£1,927);
- (ii) the Additional Contribution amounting to £27,034,000 compared against an approved budget allocation of £27,878,000 and to the previous year's actual contribution amounting to £28,058,700; and
- (iii) the Contribution from receipts received from the private sector for the provision of electrical services amounting to £2,080,062, compared to the approved budget allocation of £2,130,000.

1.2.1 Recurrent Account – Receipts: The Finance and Administration Director explained that the negative variance of £548,634 between the approved budget of £25,100,000 and actual receipts amounting to £24,551,366 in the Contribution from revenues received by the Government regarding the Sale of Electricity to Consumers was principally made up of the following:

- (i) an actual negative sales volume variance of around £374,000 during the financial year 2014-15 against the approved budget as a result of an assumed growth in sales of 1.5% when actual sales did not increase but remained broadly the same as the previous financial year;
- (ii) an actual adverse sales price variance of almost £71,000 during the financial year against the approved estimate as a result of a different mix of sales under each different tariff, as tariffs remained unchanged from the previous financial year;
- (iii) an actual negative current arrears variance of nearly £162,000 as a result of current arrears growing by 2.1% of the sales when the estimate assumed a low of 1.2%; and

(iv) on the other hand, there was a favourable historic arrears variance of nearly £55,000 against the approved budget.

1.3.1 Recurrent Account – Payments: The total recurrent expenditure of the GEA in the financial year 2014-15 was £54,808,703, a decrease of £2,100,297 (3.7%) compared with the approved budget total of £56,909,000 and £812,667 (1.5%) against the previous year's expenditure of £55,621,370. The Finance and Administration Director explained that the main variances between the approved budget and the actual expenditure for the financial year 2014-15 were as follows:

1.3.2 Fuel expenditure for the financial year under review totalled £1,894,317, a decrease of £9,585,492 against the approved budget of £11,479,809 (discounting the fuel hedge approved budget allocation of £820,191). The decrease in fuel costs between the approved budget and actual expenditure was mainly as a result of the number of electricity units generated being nearly 14.8 million compared to a budget estimate of over 89.2 million, which was directly attributable to the non-operation of Waterport Power Station as a consequence of extensive damage caused by a fire. In addition, the decrease was also partly due to the drop in the price of fuel.

1.3.3 Total expenditure in respect of the cost of electricity for the financial year under review totalled £36,491,093, an increase of £4,940,382 (15.7%) compared with the approved budget of £31,550,711 (discounting the fuel hedge approved budget allocation amounting to £1,479,289). The variance between the approved budget and actual expenditure was principally due to the following:

(a) Cost of Electricity from GMES Ltd: Ex ISGS Power Station - Actual expenditure of £1,103,686 decreased by £1,720,395 against an approved budget of £2,824,081 (discounting the fuel hedge approved budget allocation amounting to £105,919), which mainly related to the following:

- a decrease in fuel volume costs amounting to £883,473 as a result of the net electricity units imported being slightly under 4.6 million against a budget estimate of marginally in excess of 11.7 million;
- a saving of £800,746 in respect of other costs mainly attributable to a lower quantity of units imported; and
- a favourable price variance amounting to £89,565.

(b) Cost of Electricity from GMES Ltd: South District Power Station (SDPS) - Actual expenditure of £7,160,519 increased by £4,329,631 against an approved budget of £2,830,888 (discounting the fuel hedge approved budget allocation amounting to £49,112), which is made up as follows:

- an increase in fuel volume costs amounting to £4,354,994 as a result of the net electricity units imported being around 41.6 million against a budget estimate of slightly over 6.2 million as a

consequence of extra units of electricity generated by SDPS due to the non-operation of the Waterport Power Station because of the damage caused by a fire;

- an increase of £711,934 in respect of other costs mainly attributable to a higher quantity of units imported;
- on the other hand, a positive price/volume mix variance totalling £617,145; and
- a favourable price variance amounting to £120,154.

(c) GMES Ltd: Additional Generating Capacity - Actual expenditure of £28,226,888 increased by £2,331,146 against an approved budget of £25,895,742 (discounting the fuel hedge approved budget allocation amounting to £1,324,258) made up mainly as follows:

- an increase in fuel volume costs amounting to £2,027,536 as a result of fuel used totalling nearly 38,000 tonnes against a budget of just over 34,000 tonnes, despite the fact that the net electricity units generated was around 142.1 million against a budget estimate of slightly over 150.8 million;
- an increase of £3,997,465 in respect of other costs mainly attributable to contractual payments in connection with additional generators and infrastructure costs;
- on the other hand, there was a positive price variance amounting to £2,702,099; and
- a favourable variance of £1,051,690 in relation to fuel creditors.

1.3.4 Fuel Hedge Contracts costs – The actual expenditure in relation to the fuel hedge contracts amounted to £4,649,735, giving rise to an increase of £3,620,201 compared against the adjusted bid/estimate as a result of the sharp drop in the price of fuel during the financial year.

1.3.5 Purchase of Carbon Credits – The sum of £778,812 was paid in respect of Carbon Credits against an approved budget of £1,000. The explanation provided by the Chief Executive Officer was that under the European Union Emission Trading Scheme the entity producing electricity is required to purchase carbon credits to offset the total CO2 emissions being emitted to generate electricity, where one carbon credit is equal to 1 tonne of CO2 emissions, which can be used by the member state for renewable energy and energy efficiency projects.

1.3.6 Lubricants – The actual expenditure of £61,048 against the approved budget of £380,000 resulted in a decrease in the cost of lubricant for the financial year 2014-15 of £318,952, which was mainly as a result of the non-operation of Waterport Power Station for part of the year as a result of damage caused by a fire.

1.4.1 Commercial Works – Total expenditure in respect of Commercial Works amounted to £1,390,611, an increase of £390,611 compared against the

approved estimate of £1,000,000. The Finance and Administration Director attributed the increase mainly to expenditure related to the cost of projects that commenced in prior financial years and completed during the financial year 2014-15 for which a general provision of £103,000 was budgeted.

- 1.5.1 Capital Account – Capital expenditure amounting to £1,479,063 was mainly attributable to expenditure in respect of improvements to infrastructure and the network/distribution/switchboard systems amounting to nearly £1,200,000; plant and machinery of approximately £95,000; legal fees related to the new Power Station amounting to almost £72,000; purchase of motor vehicles of close to £60,000; and office furniture, fixtures and fittings, equipment and computers of around £54,000.
- 1.6.1 Electricity Charges Outstanding – Arrears of Electricity Charges stood at £6,965,017 as at 31 March 2015 compared to £6,665,591 as at the end of the previous financial year, an increase of £299,426. However, a total of £69,101 was written-off during the year, so the effective increase in arrears of Electricity Charges was £368,527.
- 1.6.2 The Finance and Administration Director explained that the increase in arrears of Electricity Charges was mainly due to a net increase in current bills arrears of around £567,000 against a reduction of slightly under £255,000 in historical arrears. In addition, there was also an increase of just over £68,000 in respect of arrears owed by Gibdock Ltd. On the other hand, there was an arrears reduction of almost £12,000 due by non-entitled consumers.
- 1.6.3 The sum written-off during the financial year amounting to £69,101 was mostly in respect of amounts owed by companies that had been struck-off.
- 1.7.1 Arrears of Commercial Works - Arrears in respect of works carried out by the Gibraltar Electricity Authority to private entities stood at £2,909,992 as at 31 March 2015, a significant year-on-year increase of £557,393. Most of the sums due are by government companies, departments, authorities and agencies, which at the close of this report the majority had still not been settled.



ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

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MEMBERS OF THE GIBRALTAR ELECTRICITY AUTHORITY BOARD

The Hon Steven Linares served as Chairman until December 2014 whereby the post of Chairman was taken by the Hon Dr John Cortes for the remainder of the financial year.

The following were the members of the Board for the financial year:

Mr Manuel Alecio	Chief Executive GEA
Mr Dilip Dayaram Tirathdas	Financial Secretary Government of Gibraltar (retired)
Mr Albert Mena	Financial Secretary Government of Gibraltar
Mr Hector Montado	Chief Technical Officer Government of Gibraltar
Mr Guy Stagnetto	Lawyer
Mr Anthony Lima MBE	Retired Civil Servant
Mr Michael Caetano	Deputy Chief Executive GEA

Mr Dilip Dayaram Tirathdas retired and his post has been taken by the new Financial Secretary of the Government of Gibraltar, Mr Albert Mena.

GIBRALTAR ELECTRICITY AUTHORITY

The Chief Executive's Report

The accounts of the Gibraltar Electricity Authority (GEA) have been prepared on a cash basis, in accordance with the Gibraltar Electricity Authority Act 2003.

The Financial Statements are, nevertheless, supported by detailed notes, which include information on accruals such as electricity arrears due to the GEA and amounts payable by the GEA at the year end. Details of the GEA's capital expenditure are also included in the notes to the accounts.

In 2014-15 the net cash deficit on all GEA ordinary activities (generation, distribution and supply of electricity) was £27.591 million. There was a net cash inflow of £0.708 million from the provision of electrical services to the private and public sector. In addition capital expenditure of £1.479 million was incurred. The total Government contribution to the GEA was £28.362 million.

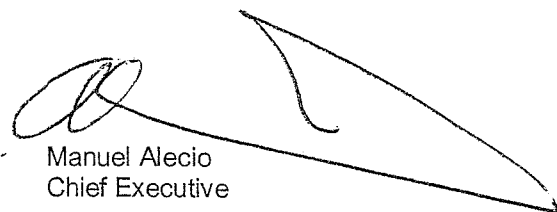
Around 93% of the electricity was generated externally, predominantly GMES mainly via the temporary power station at North Mole contributing approximately 70%, with the South District Power Station contributing 21% and the Ex ISGS Station contributing 2%, and the remaining 7% being generated internally at Waterport Power Station.

Electricity collections, excluding connection fees, for 2014-15 were £24.551 million.

As at 31 March 2015 arrears of electricity charges billed stood at £6.602 million compared to £6.360 million as at 31 March 2014.

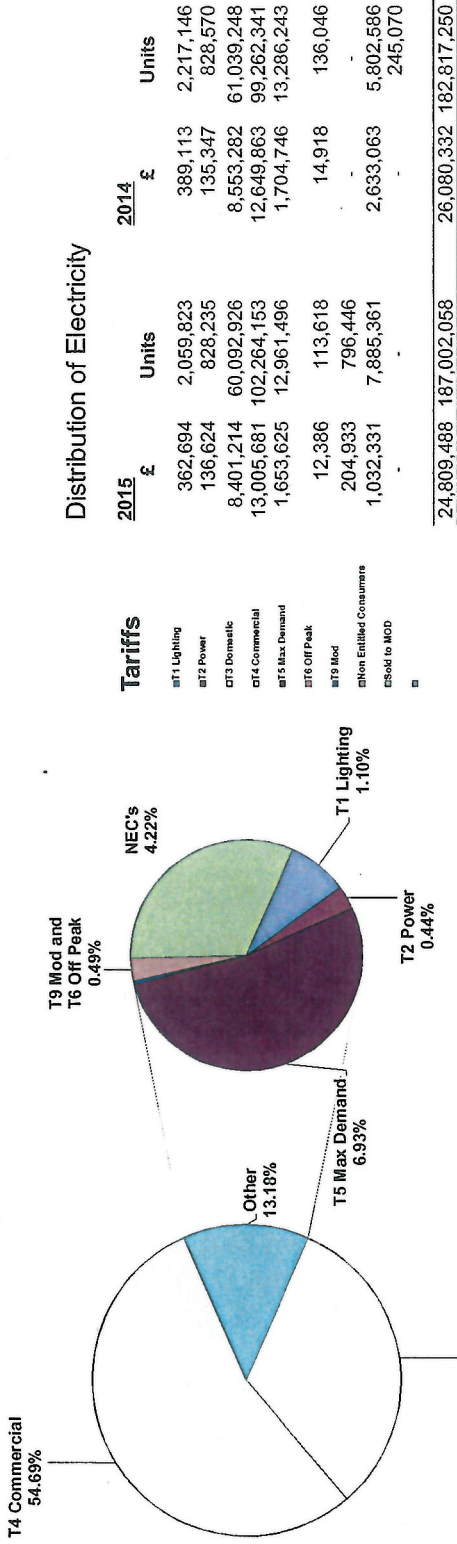
The volume of sales, based on units of electricity billed and ignoring the sales to the non entitled consumers supplied by GMES, increased by approximately 1.3% from the previous financial year.

There were no increases in the tariffs in the financial year.



Manuel Alecio
Chief Executive
11.12.15

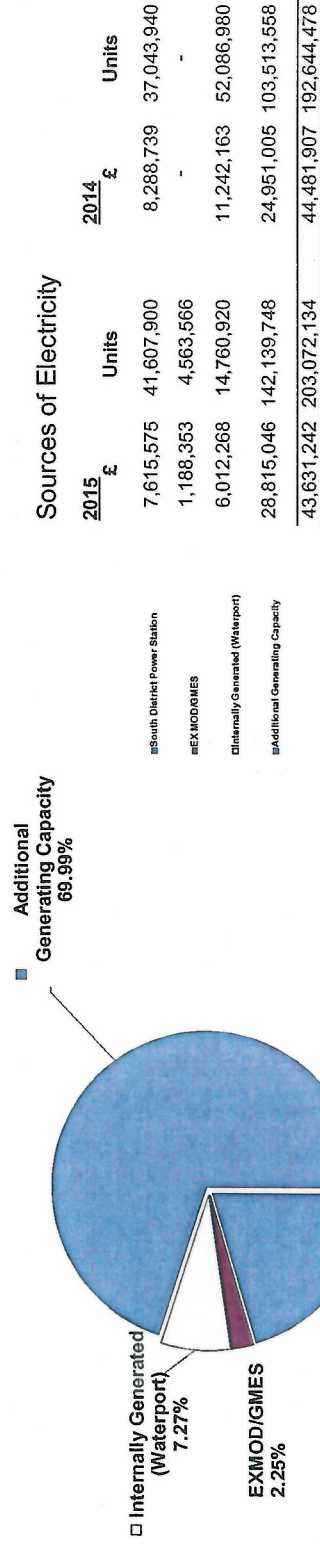
DISTRIBUTION/SALES OF ELECTRICITY DURING THE YEAR ENDED 31 MARCH 2015



Tariffs

Tariff	2015 £	Units	2014 £	Units
T1 Lighting	362,694	2,059,823	389,113	2,217,146
T2 Power	136,624	828,235	135,347	828,570
T3 Domestic	8,401,214	60,092,926	8,553,282	61,039,248
T4 Commercial	13,005,681	102,264,153	12,649,863	99,262,341
T5 Max Demand	1,653,625	12,961,496	1,704,746	13,286,243
T6 Off Peak	12,386	113,618	14,918	136,046
T9 Mod	204,933	796,446	-	-
Other	1,032,331	7,885,361	2,633,063	5,802,586
Sold to MOD	-	-	-	245,070
Total	24,809,488	187,002,058	26,080,332	182,817,250

SOURCES OF ELECTRICITY (UNITS)



Sources of Electricity

Source	2015 £	Units	2014 £	Units
South District Power Station	7,615,575	41,607,900	8,288,739	37,043,940
EXMOD/GMES	1,188,353	4,563,566	-	-
Internally Generated (Waterport)	6,012,268	14,760,920	11,242,163	52,086,980
Additional Generating Capacity	28,815,046	142,139,748	24,951,005	103,513,558
Total	43,631,242	203,072,134	44,481,907	192,644,478

Note: All the above figures are shown on an accruals basis and not on a cash basis.

GIBRALTAR ELECTRICITY AUTHORITY

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015

	Notes	<u>2015</u>	<u>2015</u>	<u>2014</u>	<u>2014</u>
		£	£	£	£
<u>RECURRENT ACCOUNT</u>					
<u>RECEIPTS</u>					
<u>Contributions from the Government of Gibraltar</u>					
Distribution/Sales of Electricity	2		24,551,366		25,107,076
Electricity Connection Fees			65,700		74,655
Miscellaneous Income			1,927		-
			<u>24,618,993</u>		<u>25,181,731</u>
Fuel Hedge Contracts Income			-		94,818
			<u>24,618,993</u>		<u>25,276,549</u>
<u>PAYMENTS</u>					
Sources of Electricity					
<u>Cost of Electricity</u>					
GMES: ex ISGS Power Station		1,103,686		610,089	
GMES: Additional Generating Capacity		28,226,888		25,607,104	
GMES: South District Power Station		<u>7,160,519</u>		<u>10,365,474</u>	
			(36,491,093)		(36,582,667)
<u>Internally Generated Electricity</u>					
Generation	8	6,402,268		11,272,312	
Distribution Network Services	9	3,494,946		3,495,567	
Administration	10	<u>818,581</u>		<u>826,108</u>	
			(10,715,795)		(15,593,987)
<u>Other Costs</u>					
Fuel Hedge Contract Costs			(4,649,735)		(481,562)
Collection Expenses - AquaGib Ltd			(353,198)		(341,570)
			<u>(27,590,828)</u>		<u>(27,723,237)</u>
NET PAYMENTS ON ORDINARY ACTIVITIES					
Other Activities					
<u>Provision of Electrical Services to Government of Gibraltar and the Gibraltar Health Authority</u>					
Income from Government Departments		1,419,953		1,427,973	
Less Expenditure Incurred	11	<u>(1,491,241)</u>		<u>(1,503,247)</u>	
			(71,288)		(75,274)
Income from Gibraltar Health Authority		1,197,727		1,205,521	
Less Expenditure Incurred	12	<u>(1,107,641)</u>		<u>(1,118,337)</u>	
			90,086		87,184
			<u>C/Fwd £ (27,572,030)</u>		<u>£ (27,711,327)</u>

GIBRALTAR ELECTRICITY AUTHORITY

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015

	Notes	<u>2015</u>	<u>2015</u>	<u>2014</u>	<u>2014</u>
		£	£	£	£
Other Activities (Cont)			<i>B/Fwd</i>		
			(27,572,030)		(27,711,327)
<u>Provision of Electrical Services</u>	13				
Contribution from the Government of Gibraltar-Income		2,080,062		1,329,945	
Less Expenditure Incurred		<u>(1,390,611)</u>		<u>(1,682,487)</u>	
			689,451		(352,542)
			(26,882,579)		(28,063,869)
<u>Contribution from the Government of Gibraltar</u>					
General Contribution			27,034,000		28,058,700
NET RECEIPTS/(PAYMENTS)			<u>£ 151,421</u>		<u>£ (5,169)</u>
<u>CAPITAL ACCOUNT</u>					
RECEIPTS					
<u>Contribution from the Government of Gibraltar</u>					
General Contribution			1,328,000		1,034,000
PAYMENTS					
Works and Equipment			(1,479,063)		(1,029,552)
NET (PAYMENTS)/RECEIPTS			<u>£ (£151,063)</u>		<u>£ 4,448</u>

GIBRALTAR ELECTRICITY AUTHORITY

BALANCE SHEET AS AT 31 MARCH 2015

	<u>2015</u>		<u>2014</u>
	£		£
<u>ASSETS</u>			
Recurrent Account			
Imprest	60		20,060
Balance due to Government of Gibraltar	<u>(16,897)</u>		<u>(188,318)</u>
	(16,837)		(168,258)
Capital Account			
Balance held by Government of Gibraltar	<u>17,972</u>		<u>169,035</u>
	<u>£ 1,135</u>		<u>£ 777</u>

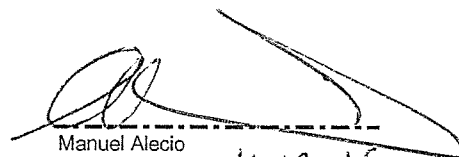
FINANCED BY

Recurrent Account

Account Balance on 1 April 2014	(168,258)		(163,089)
Net Receipts/(Payments) during the year	<u>151,421</u>		<u>(5,169)</u>
Account Balance on 31 March 2015		(16,837)	(168,258)

Capital Account

Account Balance on 1 April 2014	169,035		164,587
Net (Payments)/Receipts during the year	<u>(151,063)</u>		<u>4,448</u>
Account Balance on 31 March 2015		<u>17,972</u>	<u>169,035</u>
General Fund Balance on 31 March 2015		<u>£ 1,135</u>	<u>£ 777</u>


 Manuel Alecio
 Chief Executive

11.12.15

GIBRALTAR ELECTRICITY AUTHORITY

Notes to the Accounts for the year ended 31 March 2015

1. ACCOUNTING POLICIES

The financial and reporting requirements of the Gibraltar Electricity Authority (GEA) are provided for in Sections 24 and 25 of the Gibraltar Electricity Authority Act, 2003.

These provisions include, inter alia, the following:

- The GEA shall perform their functions so as to secure that subject to any directions or consents required from the Government of Gibraltar hereunder the revenue is sufficient to meet outgoings properly chargeable to the revenue account taking one year with another. This revenue has now been replaced by a contribution from the Government of Gibraltar (See the note on Income below)
- The GEA shall prepare and submit to the Government of Gibraltar within four months of the end of the Financial Year an annual report of the performances of their functions and of their policy and programmes.
- The GEA shall keep proper books of accounts and other records in relation to the business of the GEA.
- The financial statements of the GEA shall be prepared on a cash basis of accounting, in line with the standards prescribed for the preparation of the public accounts of Gibraltar.
- The Accountant General may give directions to the GEA as to how the accounts and records shall be kept and prepared and the GEA shall comply with any directions that might be so given.
- The accounts of the GEA shall be presented for audit within four months of the end of the financial year and shall be audited by the Principal Auditor or Auditors to be appointed by the GEA, with the consent of the Principal Auditor, in respect of each financial year.
- The cash basis of accounting, in line with the standards prescribed for the preparation of the public accounts of Gibraltar, will enable the GEA to focus its attention on addressing the annual cash deficit, which is currently funded by the Government of Gibraltar.
- The financial statements are, nevertheless, supported by detailed notes, which include information on accruals such as electricity arrears due to the GEA and amounts payable by the GEA at the year end. Details of the GEA's Capital Expenditure are also included in the notes to the accounts.
- The cost of the fuel hedge contracts has been shown as a separate item and not included in the cost of fuel.

Income

The income from the sale of electricity, including connection fees, from commercial works, from miscellaneous income has been credited to the Revenue of the Government of Gibraltar with a contribution from the consolidated fund being given to the GEA in respect of such income.

Other Activities

Revenue from the provision of electricity related services to Government Departments is based on actual Direct Costs incurred and that of the Gibraltar Health Authority is based on the Direct Costs incurred together with a 15% management charge, which does not include pensions, social insurance costs and miscellaneous expenses.

Taxation

The GEA is exempt from the payment of company taxes.

GIBRALTAR ELECTRICITY AUTHORITY

2. DISTRIBUTION/SALES OF ELECTRICITY

	2015		2014	
	Units	£	Units	£
T1 Lighting	2,059,823	362,694	2,217,146	389,113
T2 Power	828,235	136,624	828,570	135,347
T3 Domestic	60,092,926	8,401,214	61,039,248	8,553,282
T4 Commercial	102,264,153	13,005,681	99,262,341	12,649,863
T5 Max Demand	12,961,496	1,653,625	13,286,243	1,704,746
T6 Off Peak	113,618	12,386	136,046	14,918
T9 Mod	796,446	204,933	-	-
Total Billing	179,116,697	23,777,157	176,769,594	23,447,269
Non Entitled Consumers, South Dispersal and Gibdock	7,885,361	1,032,331	5,802,586	2,633,063
Total Sales	187,002,058	24,809,488	182,572,180	26,080,332
* Supplied to MOD	-	-	245,070	-
Total Distribution	187,002,058	-	182,817,250	-

All the above figures are based on an accruals basis and not on a cash basis.

* This is electricity generated to supply the Mod by the GEA and paid directly to the Gibraltar Government.

3. CONSUMERS

	2015		2014	
	Domestic	Non Domestic	Domestic	Non Domestic
Average number of Accounts	15,014	4,324	14,967	3,636
Average Monthly Bill	£47	£296	£47	£335

4. SOURCES OF ELECTRICITY AND COSTS OF PRODUCTION

	2015		2014	
	Total Cost Pence/Unit	Total Costs £	Total Cost Pence/Unit	Total Costs £
GMES: Ex ISGS Power Station	26.04	1,188,353	-	-
GMES: Additional Generating Capacity	20.27	28,815,046	24.10	24,951,005
GMES: South District Power Station	18.30	7,615,575 *	22.38	8,288,739
Generated (Waterport) GEA	40.73	6,012,268 **	21.58	11,242,163 ***
Total		43,631,242		44,481,907

The above figures are on an accruals basis

* Includes cost of hire of Portman generators

** This is as a consequence of the fire at Waterport which resulted in low units generated 7% as compared to 27% last financial year.

*** The 2014 figure for has been re stated to take out the cost of the fuel hedge

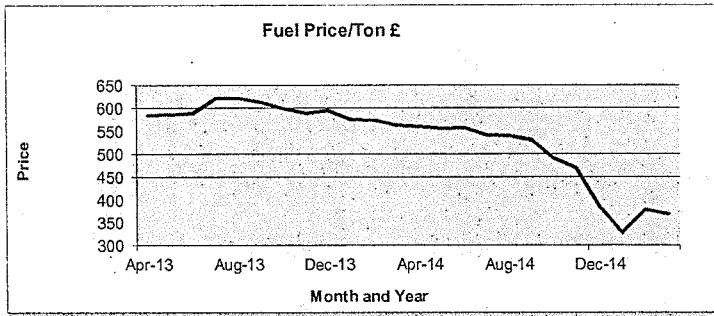
	2015		2014	
	Units Generated	Units Generated/ Total	Units Generated	Units Generated/ Total
GMES: Ex ISGS Power Station	4,563,566	2%	-	-
GMES: Additional Generating Capacity	142,139,748	70%	103,513,558	54%
GMES: South District Power Station	41,607,900	20%	37,043,940	19%
Generated (Waterport) GEA	14,760,920	7%	52,086,980	27%
Total	203,072,134		192,644,478	

	2015		2014	
	Units	%	Units	%
Total Generated	203,072,134	100	192,644,478	100
Total Distribution	187,002,058	92	182,817,250	95

* Electricity Generated Not Billed 16,070,076 8 9,827,228 5

* This does not include the Waterport Power Station house load.

5. FUEL PRICE



6. FUEL HEDGE CONTRACTS

Existing Fuel Hedge Contract

Date from May 2012 to April 2017
 Gasoil 0.1% CIF Cargo Med financial swap
 Total Volume 123,336 Mtonnes

Price £600/Mtonne

Existing Fuel Hedge Contract

Date from October 2011 to September 2016
 Gasoil 0.1% CIF Med in GBP
 Total Volume 119,874 Mtonnes.

GEA buy call option at £600/Mtonne
 GEA sell call option at £670/Mtonne
 GEA sell put option at £532/Mtonne

At the latest available fuel price it is expected that the fuel hedge contract cost will be approximately 312.7 million in the financial year 2015-16.

7. PROJECTED CONSUMPTION

Projected Consumption

Calendar Year	Expected Production Millions KwH
2016	225.0
2017	232.0
2018	239.0

GIBRALTAR ELECTRICITY AUTHORITY

8. INTERNALLY GENERATED (WATERPORT) ELECTRICITY - GENERATION

Generation Division	2015	2015	2014	2014
Direct Costs:				
Salaries		£1,578,048		£1,543,217
Overtime		£547,891		£544,550
Allowances		£839,339		£829,029
Employer's Social Insurance Contributions		£77,699		£77,435
Employer's Contributions				
Contributory Defined Contributions Pension Scheme		£77,647		£81,600
		£3,120,624		£3,055,831
Fuel		£1,894,317 *		£7,350,749
Purchase of Carbon Credits		£778,812		-
Materials		£381,266		£472,570
Lubricants		£61,048		£211,214
Total Direct costs		£6,236,067		£11,090,364
Overheads:				
General Expenses	£15,090		£22,785	
Electricity and Water	£6,725		£9,476	
Telephone Expenses	£15,767		£17,268	
Printing & Stationery	£1,912		£2,275	
Protective Clothing & Fire Prevention	£5,634		£3,400	
Computer & Office Equipment Expenses	£2,240		£2,763	
Training Expenses	£7,258		£5,849	
Transport Expenses	£1,043		£1,013	
Security Expenses	£68,645		£77,391	
Messengerial Expenses	£909		£964	
Cleaning Services	£12,419		£13,475	
Employer's and Public Liability Insurance	£15,427		£11,634	
Legal Fees	£4,570		£10,985	
Consultancy Fees Other	£5,876		-	
Consultancy Fees Health and Safety	£2,686		£2,670	
Total Overheads		£166,201		£181,948
Total Costs		£6,402,268		£11,272,312

Pension rights continue to apply to former civil servants who transferred to the GEA as if they were still in the public service.

* Reduction in fuel costs due to the non-operation of Waterport Power Station as a consequence of the fire.

GIBRALTAR ELECTRICITY AUTHORITY

9. INTERNALLY GENERATED (WATERPORT) ELECTRICITY - DISTRIBUTION NETWORK SERVICES

	2015	2015	2014	2014
	Electrical Network Distribution	Consumer	Electrical Network Distribution	Consumer
Direct Costs:				
Salaries	£942,150	£675,941	£913,493	£681,370
Overtime	£127,147	£66,982	£112,939	£50,939
Allowances	£44,363	£61,938	£44,910	£59,676
Employer's Social Insurance Contributions	£46,565	£32,926	£46,971	£34,289
Employer's Contributions - Gibraltar Provident Trust (No. 2) Pension Scheme	£82,689	£55,894	£68,637	£47,148
	£1,242,914	£893,681	£1,186,950	£873,422
Materials	£203,453	£79,149	£223,727	£48,431
Public Lighting and Illuminations	£36,989	£27,960	£57,878	£87,433
Total Direct costs	£1,483,356	£1,000,790	£1,468,555	£1,009,286
Overheads:				
General Expenses	£8,989	£6,422	£13,574	£9,696
Electricity and Water	£4,006	£2,862	£5,645	£4,032
Telephone Expenses	£9,392	£6,710	£10,267	£7,348
Printing & Stationery	£1,913	£1,913	£2,274	£2,274
Protective Clothing & Fire Prevention	£3,356	£2,397	£2,025	£1,447
Computer & Office Equipment Expenses	£6,161	£11,201	£7,603	£13,823
Training Expenses	£7,257	£7,258	£5,848	£5,848
Transport Expenses	£8,856	£8,336	£8,104	£7,597
Messengerial Expenses	£913	£913	£967	£967
Cleaning Services	£7,398	£5,284	£8,028	£5,734
Employer's and Public Liability Insurance	£9,189	£6,565	£6,931	£4,951
Legal Fees	£2,722	£1,945	£6,544	£4,674
Consultancy Fees Other	£3,501	£2,501	-	-
Consultancy Fees Health and Safety	£1,600	£1,143	£1,591	£1,136
Total Overheads	£75,253	£65,450	£79,421	£69,527
Total Costs	£1,558,609	£1,066,240	£1,547,976	£1,078,813

GIBRALTAR ELECTRICITY AUTHORITY

9. INTERNALLY GENERATED (WATERPORT) ELECTRICITY - DISTRIBUTION NETWORK SERVICES (cont)

	2015		2014	
	Electro-Technical	Total	Electro-Technical	Total
Direct Costs:				
Salaries	£465,157	£2,083,248	£470,005	£2,064,868
Overtime	£162,186	£356,315	£128,911	£292,789
Allowances	£30,750	£137,051	£32,396	£136,982
Employer's Social Insurance Contributions	£21,672	£101,163	£22,288	£103,548
Employer's Contributions - Gibraltar Provident Trust (No. 2) Pension Scheme	£40,047	£178,630	£38,889	£154,674
	£719,812	£2,856,407	£692,489	£2,752,861
Materials	£111,021	£393,623	£135,529	£407,687
Public Lighting and Illuminations	-	£64,949	-	£145,311
Total Direct costs	£830,833	£3,314,979	£828,018	£3,305,859
Overheads:				
General Expenses	£4,174	£19,585	£6,302	£29,572
Electricity and Water	£1,860	£8,728	£2,621	£12,298
Telephone Expenses	£4,361	£20,463	£4,776	£22,411
Printing & Stationery	£1,913	£5,739	£2,274	£6,822
Protective Clothing & Fire Prevention	£1,558	£7,311	£940	£4,412
Computer & Office Equipment Expenses	£2,240	£19,602	£2,765	£24,191
Training Expenses	£7,263	£21,778	£5,848	£17,544
Transport Expenses	£3,647	£20,839	£3,545	£19,246
Messengerial Expenses	£913	£2,739	£967	£2,901
Cleaning Services	£3,435	£16,117	£3,727	£17,489
Employer's and Public Liability Insurance	£4,267	£20,021	£3,218	£15,100
Legal Fees	£1,264	£5,931	£3,038	£14,256
Consultancy Fees Other	£1,626	£7,628	-	-
Consultancy Fees Health and Safety	£743	£3,486	£739	£3,466
Total Overheads	£39,264	£179,967	£40,760	£189,708
Total Costs	£870,097	£3,494,946	£868,778	£3,495,567

Pension rights continue to apply to former civil servants who transferred to the GEA as if they were still in the public service.

GIBRALTAR ELECTRICITY AUTHORITY

10. INTERNALLY GENERATED (WATERPORT) ELECTRICITY - ADMINISTRATION

Direct Costs:	<u>2015</u>	<u>2015</u>	<u>2014</u>	<u>2014</u>
Salaries		£656,212		£653,706
Overtime		£9,905		£10,694
Allowances		£17,567		£18,625
Temporary Assistance		-		£7,743
Employer's Social Insurance Contributions		£27,244		£25,491
Employer's Contributions - Gibraltar Provident Trust (No. 2) Pension Scheme		£58,873		£51,393
Total Direct Costs		<u>£769,801</u>		<u>£767,652</u>
Overheads:				
General Expenses	£5,135		£7,757	
Electricity and Water	£2,288		£3,226	
Telephone Expenses	£5,365		£5,878	
Printing & Stationery	£1,913		£2,274	
Protective Clothing and Fire Prevention	£1,917		£1,157	
Computer & Office Equipment Expenses	£9,521		£11,749	
Training Expenses	£7,263		£5,848	
Transport Expenses	£520		£506	
Messengerial Expenses	£913		£967	
Cleaning Services	£4,226		£4,587	
Employer's and Public Liability Insurance	£5,250		£3,961	
Legal Fees	£1,555		£3,739	
Ex gratia payments	-		£5,898	
Consultancy Fees Other	£2,000		-	
Consultancy Fees Health and Safety	£914		£909	
Total Overheads		<u>£48,780</u>		<u>£58,456</u>
Total Costs		<u><u>£818,581</u></u>		<u><u>£826,108</u></u>

Pension rights continue to apply to former civil servants who transferred to the GEA as if they were still in the public service.

11. ELECTRICAL SERVICES - GOVERNMENT DEPARTMENTS

Income represents the actual Direct Costs incurred by the Electrical Building Services Division in the provision of their services to Government,

Direct Costs:	<u>2015</u>	<u>2014</u>
Salaries	£965,082	£948,927
Overtime	£182,045	£187,403
Allowances	£39,067	£38,905
Employer's Social Insurance Contributions	£49,466	£50,147
Employer's Contributions - Gibraltar Provident Trust (No. 2) Pension Scheme	£49,608	£43,479
	<u>£1,285,268</u>	<u>£1,268,861</u>
Materials	£134,669	£159,262
Total Direct Costs	<i>Balance C/Fwd</i> <u>£1,419,937 *</u>	<u>£1,428,123 *</u>

* The expenditure in 2015 and 2014 is less/more than the income received from Government Departments as a consequence of adjustments to materials which were not recovered/charged from/to Government Departments

GIBRALTAR ELECTRICITY AUTHORITY

11. ELECTRICAL SERVICES - GOVERNMENT DEPARTMENTS (cont)

	2015	2015	2014	2014
Balance B/Fwd		£1,419,937		£1,428,123
Overheads:				
General Expenses	£9,629		£14,544	
Electricity and Water	£4,291		£6,048	
Telephone Expenses	£10,061		£11,022	
Printing & Stationery	£1,913		£2,274	
Protective Clothing & Fire Prevention	£3,595		£2,170	
Computer & Office Equipment Expenses	£2,800		£3,456	
Training Expenses	£7,263		£5,848	
Transport Expenses	£4,690		£4,052	
Messengerial Expenses	£913		£967	
Cleaning Services	£7,925		£8,601	
Employer's and Public Liability Insurance	£9,844		£7,426	
Legal Fees	£2,917		£7,011	
Consultancy Fees Other	£3,749		-	
Consultancy Fees Health and Safety	£1,714		£1,705	
Total Overheads		£71,304		£75,124
Total Costs		£1,491,241		£1,503,247

Pension rights continue to apply to former civil servants who transferred to the GEA as if they were still in the public service.

12. ELECTRICAL SERVICES - GIBRALTAR HEALTH AUTHORITY

Income is based on the Direct Costs incurred by the Technomedical Division together with a 15% management charge, which does not include Pensions, Social Insurance Costs and miscellaneous expenses.

	2015	2015	2014	2014
Direct Costs:				
Salaries		£802,648		£784,308
Overtime		£75,028		£105,188
Allowances		£40,912		£38,457
Employer's Social Insurance Contributions		£37,575		£37,718
Employer's Contributions - Gibraltar				
Provident Trust (No. 2) Pension Scheme		£101,839		£98,716
		£1,058,002		£1,064,387
Miscellaneous Expenses		£1,936		£1,941
Total direct Costs		£1,059,938		£1,066,328
Overheads:				
General Expenses	£6,742		£10,666	
Electricity and Water	£3,005		£4,435	
Telephone Expenses	£7,044		£6,083	
Printing & Stationery	£1,913		£2,274	
Protective Clothing & Fire Prevention	£2,517		£1,591	
Training Expenses	£7,263		£5,848	
Messengerial Expenses	£912		£967	
Cleaning Services	£5,548		£6,307	
Employer's and Public Liability Insurance	£6,892		£5,446	
Legal Fees	£2,042		£5,142	
Consultancy Fees Other	£2,625		-	
Consultancy Fees Health and Safety	£1,200		£1,250	
Total Overheads		£47,703		£52,009
Total Costs		£1,107,641		£1,118,337

GIBRALTAR ELECTRICITY AUTHORITY

13. ELECTRICAL SERVICES - PRIVATE SECTOR

	<u>2015</u>	<u>2015</u>	<u>2014</u>	<u>2014</u>
Payment received	£2,080,062		£1,329,945	
Less: Materials	<u>(£1,390,611)</u>		<u>(£1,682,487)</u>	
As at 31 March 2015	<u>£689,451</u>		<u>(£352,542)</u>	
Expenditure during year	<u>£1,390,611</u>		<u>£1,682,487</u>	
Advance payments b/fwd	£146,669		£582,334	
Payments during the year	<u>£2,080,062</u>		<u>£1,242,645</u>	
	<u>£2,226,731</u>		<u>£1,824,979</u>	
Advance payments c/fwd	<u>(£707,328)</u>		<u>(£146,669)</u>	
Surplus	<u>£1,390,611</u>		<u>(£83,123)</u>	
	<u>£1,390,611</u>		<u>£1,595,187</u>	

14. OVERHEADS

Overheads have been apportioned on the following basis:

- General Expenses; Electricity & Water; Telephone Expenses; Protective Clothing & Fire Prevention; Cleaning Services; Employer's & Public Liability Insurance; Legal Fees; Consultancy Fees: on the staff complement of each Division.
- Printing & Stationery; Messengerial Expenses; Training Expenses: on the number of Divisions.
- Computer & Office Equipment Expenses: on the number of personal computers held by each Division.
- Transport Expenses: on the number of vehicles held by each Division.
- Security Expenses: 100% allocated to the Generation Division.
- Miscellaneous Expenses: 100% allocated to the Technomedical Division.

GIBRALTAR ELECTRICITY AUTHORITY

15. PERSONAL EMOLUMENTS

Gross Emoluments	2015	2014
	Number of Staff	Number of Staff
£90,001-£95,000	4	4
£80,001- £90,000	5	5
£70,001- £80,000	5	3
£60,001- £70,000	39	41
£50,001- £60,000	26	17
£40,001- £50,000	39	41
£30,001- £40,000	48	50
£20,001- £30,000	7	10
£10,001- £20,000	2	3
<£10,001	3	6
	178	180

Gross Emoluments represents the total earned income during the year and excludes any Pension Contributions.

16. FIXED ASSETS

CAPITAL EXPENDITURE

	<u>Infrastructure Systems</u>	<u>Motor Vehicles</u>	<u>Office Equipment</u>	<u>Furniture</u>
Additions 2014/2015	£1,198,922	£59,944	£25,733	£2,253
	<u>Plant and Machinery</u>	<u>Computers</u>	<u>Fixtures Fittings</u>	<u>New Power Station</u>
Additions 2014/2015	£94,634	£23,735	£2,160	£71,682
	<u>Total</u>			
Additions 2014/2015	£1,479,063			

GIBRALTAR ELECTRICITY AUTHORITY

17. DEBTORS

	<u>2015</u>	<u>2014</u>
Electricity Charges Billed	£6,602,218	£6,359,565
Electricity Connection Fees	£2,374	£2,374
Electricity Deposits due from consumers	£25,872	£25,872
Electricity Deposits held by Government of Gibraltar	<u>£1,300,010</u>	<u>£1,230,198</u>
	<u>£7,930,474</u>	<u>£7,618,009</u>

The debt in respect of the consumers who are in receipt of social assistance was £591,210 as at 31 March 2015. Of this total only £392,361, the balance outstanding as at 31 March 2007, has been provided for.

The Bad Debts written off were in respect of liquidated and struck-off companies.

Bills outstanding as at 1 April 2014	£6,359,566	£7,467,537
Billing for the year	£23,800,705	£23,156,751
Amounts received	(£23,465,403)	(£24,218,164)
Write offs	(£69,101)	(£92,537)
Adjustments	<u>(£23,549)</u>	<u>£45,978</u>
Bills outstanding as at 31 March 2015	<u>£6,602,218</u>	<u>£6,359,565</u>

Age structure of arrears		
Up to six months	£2,786,565	£2,502,821
Six months to one year	£96,863	£92,751
Greater than one year	<u>£3,718,790</u>	<u>£3,763,993</u>
Total	<u>£6,602,218</u>	<u>£6,359,565</u>

Other Debtors

	<u>2015</u>	<u>2015</u>	<u>2014</u>	<u>2014</u>
Gibdock Limited	1,200,736 units	£160,730	690,919 units	£92,445
Non Entitled Consumers	1,630,231 units	£202,069	1,716,666 units	£213,581
Commercial Works Debtors		£2,909,992		£2,352,599

18. STOCKS OF GASOIL

	<u>2015</u>	<u>2015</u>	<u>2014</u>	<u>2014</u>
	Tonnes	£	Tonnes	£
Opening Stock as at 1 April 2014	762.79	428,520	1,076.19	673,545
Purchases during the year	3,489.29	1,503,728	12,251.46	7,259,733
Consumed during the year	<u>(3,541.29)</u>	<u>(1,670,009)</u>	<u>(12,564.86)</u>	<u>(7,504,758)</u>
Closing Stock as at 31 March 2015	<u>710.79</u>	<u>262,239</u>	<u>762.79</u>	<u>428,520</u>

Note: the fuel stock figures for 2014 have been restated to include only GEA stocks of fuel

GIBRALTAR ELECTRICITY AUTHORITY

19. <u>CASH</u>	<u>2015</u>	<u>2014</u>
Recurrent Account balance	(£16,837)	(£168,258)
Capital Account balance	<u>£17,972</u>	<u>£169,035</u>
	<u>£1,135</u>	<u>£777</u>

20. <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	<u>2015</u>	<u>2014</u>
Giboll Ltd	£253,461	£627,131
Barclays Bank Plc	£903,979	£111,907
AquaGib Ltd	-	£88,319
Schneider Electric Co Ltd	£357,732	-
Elster Metering Systems Ltd	£121,264	-
Other Creditors	<u>£135,220</u>	<u>£105,492</u>
	<u>£1,771,656</u>	<u>£932,849</u>
 Other Liabilities		
GMES Ltd Hire Charges Generators	£392,000	£98,000
GMES Ltd Hire Charges Turbines	-	£374,019
GMES Ltd Fuel for Additional Generating Capacity	£1,971,005	£1,777,254
GMES Ltd Additional Generating Capacity Other Costs	£393,804	-
GMES Ltd Fuel for South District Power Station	£338,592	£199,052
GMES Ltd South District Power Station Other Costs	£21,518	-
GMES Ltd exlSGS Power Station GEA share of costs	<u>£84,665</u>	<u>-</u>
	<u>£3,201,584</u>	<u>£2,448,325</u>

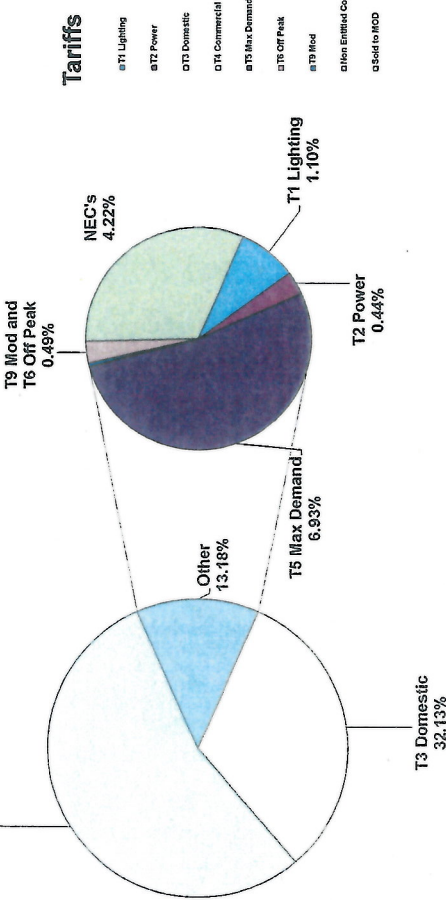
21. <u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	<u>2015</u>	<u>2014</u>
Electricity Deposits due to Consumers	£1,300,010	£1,230,198
Private Sector	£707,328	£146,669
Imprest due to Government	<u>£60</u>	<u>£20,060</u>
	<u>£2,007,398</u>	<u>£1,396,927</u>

Appendix

DISTRIBUTION/SALES OF ELECTRICITY DURING THE YEAR ENDED 31 MARCH 2015

Tariffs

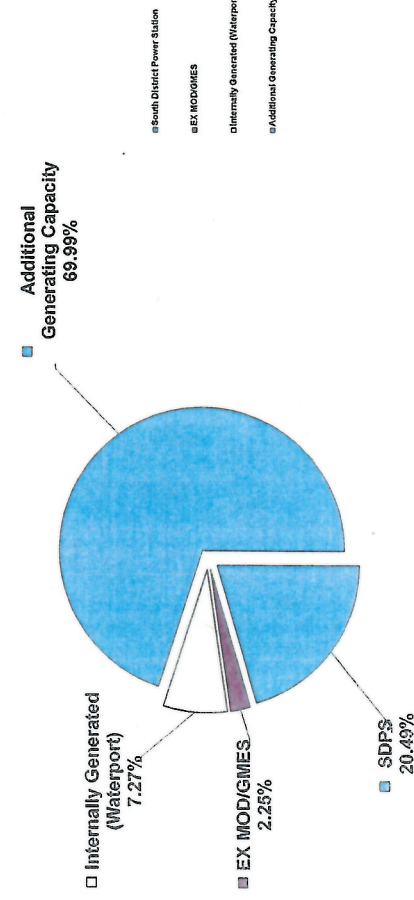
	2015 £	Units	2014 £	Units
T4 Commercial	54,699			
T3 Domestic	32,13%			
T5 Max Demand	6.93%			
T1 Mod and T6 Off Peak	0.49%			
Other	13.18%			
T2 Power	0.44%			
T1 Lighting	1.10%			
NEC's	4.22%			
T9 Mod and T6 Off Peak	362,694	2,059,823	389,113	2,217,146
T2 Power	136,624	828,235	135,347	828,570
T3 Domestic	8,401,214	60,092,926	8,553,282	61,039,248
T4 Commercial	13,005,681	102,264,153	12,649,863	99,262,341
T5 Max Demand	1,653,625	12,961,496	1,704,746	13,286,243
T6 Off Peak	12,386	113,618	14,918	136,046
T9 Mod	204,933	796,446	-	-
Other	1,032,331	7,885,361	2,633,063	5,802,586
Other Entities Consumers	-	-	-	-
Sold to IROD	-	-	-	245,070
	24,809,488	187,002,058	26,080,332	182,817,250



SOURCES OF ELECTRICITY (UNITS)

Sources of Electricity

	2015 £	Units	2014 £	Units
South District Power Station	7,615,575	41,607,900	8,288,739	37,043,940
EX MOD/GMES	1,188,353	4,563,566	-	-
Internally Generated (Waterport)	6,012,268	14,760,920	11,242,163	52,086,980
Additional Generating Capacity	28,815,046	142,139,748	24,951,005	103,513,558
	43,631,242	203,072,134	44,481,907	192,644,478



Note : All the above figures are shown on an accruals basis and not on a cash basis.

GIBRALTAR ELECTRICITY AUTHORITY

2. DISTRIBUTION/SALES OF ELECTRICITY

	<u>2015</u>	<u>2015</u>	<u>2014</u>	<u>2014</u>
	<u>Units</u>	<u>£</u>	<u>Units</u>	<u>£</u>
T1 Lighting	2,059,823	362,694	2,217,146	389,113
T2 Power	828,235	136,624	828,570	135,347
T3 Domestic	60,092,926	8,401,214	61,039,248	8,553,282
T4 Commercial	102,264,153	13,005,681	99,262,341	12,649,863
T5 Max Demand	12,961,496	1,653,625	13,286,243	1,704,746
T6 Off Peak	113,618	12,386	136,046	14,918
T9 Mod	796,446	204,933	-	-
Total Billing	179,116,697	23,777,157	176,769,594	23,447,269
Non Entitled Consumers, South Dispersal and Gibdock	7,885,361	1,032,331	5,802,586	2,633,063
Total Sales	<u>187,002,058</u>	<u>24,809,488</u>	<u>182,572,180</u>	<u>26,080,332</u>
* Supplied to MOD	-	-	245,070	-
Total Distribution	<u>187,002,058</u>	-	<u>182,817,250</u>	-

All the above figures are based on an accruals basis and not on a cash basis.

* This is electricity generated to supply the Mod by the GEA and paid directly to the Government of Gibraltar.

3. CONSUMERS

	<u>2015</u>	<u>2015</u>	<u>2014</u>	<u>2014</u>
	Domestic	Non Domestic	Domestic	Non Domestic
Average number of Accounts	15,014	4,324	14,967	3,636
Average Monthly Bill	£47	£296	£47	£335

4. SOURCES OF ELECTRICITY AND COSTS OF PRODUCTION

	<u>2015</u>	<u>2015</u>	<u>2014</u>	<u>2014</u>
	Total Cost	Total Costs	Total Cost	Total Costs
	Pence/Unit	£	Pence/Unit	£
GMES: Ex ISGS Power Station	26.04	1,188,353	-	-
GMES: Additional Generating Capacity	20.27	28,815,046	24.10	24,951,005
GMES: South District Power Station	18.30	7,615,575 *	22.38	8,268,739
Generated (Waterport) GEA	40.73	** 6,012,268	21.58	11,242,163 ***
Total		<u>43,631,242</u>		<u>44,481,907</u>

The above figures are on an accruals basis

* Includes cost of hire of Portman generators

** This is as a consequence of the fire at Waterport Power Station which resulted in low units generated 7% as compared to 27% last financial year.

*** The 2014 figure has been re stated to take out the cost of the fuel hedge

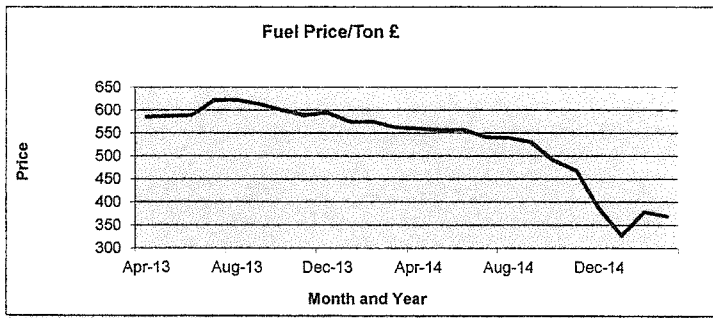
	<u>2015</u>	<u>2015</u>	<u>2014</u>	<u>2014</u>
	Units	Units Generated/ Total	Units	Units Generated/ Total
	Generated	Total	Generated	Total
GMES: Ex ISGS Power Station	4,563,566	2%	-	-
GMES: Additional Generating Capacity	142,139,748	70%	103,513,558	54%
GMES: South District Power Station	41,607,900	21%	37,043,940	19%
Generated (Waterport) GEA	14,760,920	7%	52,086,980	27%
Total	<u>203,072,134</u>		<u>192,644,478</u>	

	<u>2015</u>	<u>2015</u>	<u>2014</u>	<u>2014</u>
	Units	%	Units	%
Total Generated	203,072,134	100	192,644,478	100
Total Distribution	187,002,058	92	182,817,250	95

* Electricity Generated Not Billed

* This does not include the Waterport Power Station house load.

5. FUEL PRICE



6. FUEL HEDGE CONTRACTS

Existing Fuel Hedge Contract

Date from May 2012 to April 2017
 Gasoil 0.1% CIF Cargo Med financial swap
 Total Volume 123,336 Mtonnes

Price £600/Mtonne

Existing Fuel Hedge Contract

Date from October 2011 to September 2016
 Gasoil 0.1% CIF Med in GBP
 Total Volume 119,874 Mtonnes.

GEA buy call option at £600/Mtonne
 GEA sell call option at £570/Mtonne
 GEA sell put option at £532/Mtonne

At the latest available fuel price it is expected that the fuel hedge contracts cost will be approximately £12.7 million in the financial year 2015-16.

7. PROJECTED CONSUMPTION

Projected Consumption

Calendar Year	Expected Production Millions KwH
2016	225.0
2017	232.0
2018	239.0