Aggregated Micro Power Holdings plc

Audited Report and Financial Statements

For the year ended 31 March 2017

Registered number: 08372177

AGGREGATED MICRO POWER

Contents

Directors and Advisers

Directors	Neil Eckert Richard Burrell Mark Tarry Sir Laurence Magnus Sir Brian Williamson The Rt. Hon. Sir Nicholas Soames Robert Bland DL
Company Secretary	Lauren Paton
Registered Number	08372177
Registered Office	5 Clifford Street London W1S 2LG
Auditors	BDO LLP 55 Baker Street London W1U 7EU
Accountants	EHM International Limited Audrey House 16-20 Ely Place London EC1N 6SN
Bankers	Natwest Leicester Rcsc Bede House 11 Western Boulevard Leicester LE2 7EJ

Executive Chairman's Statement

This has been a watershed year for AMP. There are three areas where we are concentrating our attention: renewable heat; modern day power supply; and investments.

With renewable heat, we have aggregated a number of wood fuels businesses under the Forest Fuels brand and we are now one of the leading suppliers of wood pellet and wood chip to end customers in the UK. We strongly believe the market is ripe for further consolidation and expect further growth in turnover once the full year effect of the recent acquisitions takes effect. Scale gives us purchasing power and the ability to manage costs. At the same time, we want to offer very high quality customer service and build long term relationships on fuel supply, service and maintenance such that we become the best known and most trusted brand in the biomass market.

We have also developed and arranged financing for one of the largest Biomass Boiler portfolios in the UK. On 25 May it was announced that Aggregated Micro Power Infrastructure 2 plc ("AMPIL2")[1] had closed its latest fund raise amounting to £29.46m. This was another landmark event and demonstrates that we now have the opportunity to facilitate increasing amounts of new capital for biomass assets from high quality institutional and other investors. In aggregate, AMPIL2 now has over £50m invested or available for biomass heat, CHP and grid balancing projects.

On the power side, we are developing "Grid Balancing" projects. The level of renewables, solar and wind, has destabilized wholesale electricity prices. The Grid needs small scale, fast response generation units to supply power when there are power shortages and prices spike. We have had an excellent year in this sector developing four projects with a combined capacity of circa 62MW.

If not revolution, we are now seeing rapid pace evolution. This is being driven by a number of factors namely: 15% of the supply into the National Grid is from wind or solar and on 21 April 2017, the whole of the UK supply was generated without coal fired generation which was the first day since the 1880s. At the same time, the first offshore wind farm to operate without a power subsidy will be built by one of our partners, Dong Energy. Electric Vehicle sales also continue to grow rapidly as air quality issues become better understood and more serious, especially with diesel vehicles. The holy grail in energy markets is storage. The energy density and transportability of oil and coal gave them pre-eminence as a fuel source for over a century. Renewables, batteries and small scale flexible generation now threaten this. We could, in the long term, see the "end of the main frame" or at least a huge reduction in grid reliance. Organizations are now starting to supply energy services "behind the meter".

These changes when momentum gathers pace will produce seismic behavioral and financial impacts as occurred when computing went "distributed" and recognizing that we spend so much more on energy than data, the opportunities are enormous. When Sheik Yamani, the Saudi Oil Minister, was asked when the world's oil would run out, he responded that the Stone Age didn't finish because we ran out of rocks.

Whilst the scale of the opportunity is large there is also great risk attached. Which technology will prevail, what regulatory regime will prevail and will government policy be as hard to fathom as has recently been the case? We want to avoid investing in technology so we remain agnostic to the ones we deploy our strategy is to develop value by aggregating revenue streams from small scale businesses and projects. These are held in off balance sheet investment vehicles. The end game may well be to roll up the various companies and form a modern day flexible heat and power generation business – a Challenger Utility.

The final part of the piece is investments where we have aspirations to run an energy focused investment management arm. The first stage of this is a strategic investment in IncubEx. This business will design and promote financial products in environmental, energy, power and weather markets. It is operated by the same management team that operated at Climate Exchange plc where I was CEO. AMP owns 28.8% of IncubEx and I have become its non-executive chairman.

[1] Refer to page 6 for further information on AMP's relationship with AMPIL2.

Executive Chairman's Statement continued

In conclusion, 2017 was a transformational year for AMP as has been reflected by the uplift in our share price from 62.5p to 96p. We want 2018 to be the year where we show further growth in our biomass businesses and a significant expansion in assets we develop and manage.

Neil Eckert, Executive Chairman

28 June 2017

Strategic Report

We are pleased to present our Financial Results for the 12 months ending 31 March 2017. The comparative figures in the audited financial statements are in respect of the audited three month period to 31 March 2016. There are no comparative results in respect of the 12 months ending 31 March 2015.

To assist in a more meaningful comparison, this Strategic Report includes a segmental analysis comparing the 12 months to 31 March 2017 with the 15 months to 31 March 2016.

Results

I am delighted to report a transformational set of results for AMP in respect of the 12 month period to 31 March 2017.

Group revenues increased to £19.7m (compared to £1.3m for the 15 months to 31 March 2016, and £0.2m for the audited 3 month period to 31 March 2016), gross profit increased to £5.4m (compared to £0.01m for the 15 months to 31 March 2016 and £0.1m for the audited 3 month period to 31 March 2016), profit from operations increased to £1.85m (compared to a loss of £7.7m for the 15 months to 31 March 2016 and a loss of £0.5m for the audited 3 month period to 31 March 2016) and profit before tax increased to £0.93m (compared to a loss of £7.6m for the 15 months to 31 March 2016 and loss of £0.5m for the audited 3 month period to 31 March 2016).

Net assets as at 31 March 2017 increased to £8.26m (31 March 2016: £2.49m) and the balance sheet does not include any recognition for future deferred development fees that may be due from Aggregated Micro Power Infrastructure Limited ("AMPIL1") and Aggregated Micro Power Infrastructure 2 plc ("AMPIL2").

Aggregated Micro Power Holdings plc	**Year Ended March 2017**				**15 Month Period Ended March 2016**			
Operating segments	**Forest Fuels £**	**Project development £**	**Investments £**	**Total £**	**Gasification Projects £**	**Project Development £**	**Investments**	**Total £**
Revenue	15,841,292	3,877,850	-	19,719,142	168,440	1,160,855	-	1,329,295
Cost of sales	(12,825,159)	(1,419,899)	-	(14,245,058)	(591,886)	(722,477)	-	(1,314,363)
Gross profit	**3,016,133**	**2,457,951**	**-**	**5,474,084**	**(423,446)**	**438,378**	**-**	**14,932**
Other operating income	235,776	163,813	-	399,589	16,250	65,000	-	81,250
Administrative expenses	(2,494,726)	(879,688)	(1,845,478)	(5,219,892)	(1,077,970)	(926,275)	(1,955,297)	(3,959,542)
Adjusted EBITDA	**757,183**	**1,742,076**	**(1,845,478)**	**653,781**	**(1,485,166)**	**(422,897)**	**(1,955,297)**	**(3,863,360)**
Depreciation	(353,760)	-	(4,799)	(358,559)	(125,663)	-	(3,224)	(128,887)
Impairment Loss	-	-	-	-	(5,354,918)	-	-	(5,354,918)
Finance expense	(114,963)	-	(469,323)	(584,286)	-	-	(16,228)	(16,228)
Amortisation Intangibles	-	-	(174,672)	(174,672)	-	-	-	-
Amortisation Loan Cost	-	-	(335,248)	(335,248)	-	-	-	-
P&L on sale of Assets	151,368	-	-	151,368	-	-	-	-
Other Non-Recurring Costs	(72,914)	(99,672)	(125,362)	(297,948)	(182,336)	-	1,881,820	1,699,484
FV Adjustment on Investment in Associate	-	-	1,879,044	1,879,044	-	-	-	-
Tax credit	59,614	-	34,755	94,369	-	-	169,680	169,680
Profit/(Loss) from operations	**426,528**	**1,642,404**	**(1,041,083)**	**1,027,849**	**(7,148,083)**	**(422,897)**	**76,751**	**(7,494,229)**

AMP Group strategy

During this transformational year, AMP has become one of the leading UK suppliers of wood fuels under the Forest Fuels brand. At the same time AMP has grown its project development business with finance provided via third party infrastructure vehicles producing development fee revenues for this year and the prospect of deferred development fees in due course.

AMP operates through three business divisions: Forest Fuels; Project Development; and Investments.

Strategic Report continued

AMP's wholly owned subsidiary Forest Fuels sells high quality wood chip and wood pellet to end customers throughout the UK in the form of fuel only contracts, heat contracts and/or fuels plus operation and maintenance. Forest Fuels is the leading supplier of premium grade, RHI compliant wood chip and wood pellet with over 2,300 customers, 40 depots and 4 regional offices. AMP's strategy is to grow its wood fuels customer base by a combination of organic growth and further in-fill acquisitions in strategic locations.

AMP's project development division develops, manages and facilitates financing of distributed energy projects focusing on biomass heat and biomass CHP for a wide range of applications and customers. We also develop and finance gas-fired peaking plants and battery storage to provide reserve power and frequency stability which aim to balance the transmission grid at times of peak demand. AMP's strategy is to continue developing its own projects and to work with other project developers and third party infrastructure vehicles to generate a wide range of development fees from different projects.

AMP Investments aim to grow funds under management and to build up off-balance sheet deferred development fees and carried interest together with making long term equity investments in companies aligned to our corporate strategy. It includes the overhead costs of the Board and related PLC expenses.

Forest Fuels

The acquisition of Forest Fuels, Midlands Wood Fuel, the customer base of Mi-Generation and PEL Limited marked a significant development for AMP and for its strategic ambitions. Following the acquisition of Forest Fuels which completed on 30 March 2016 and the three subsequent acquisitions of Midlands Wood Fuel and the Mi-Generation pellet customer list which both completed in July 2017 and PEL Limited which completed in December 2016, AMP's strategy has been to integrate these businesses under a single brand (Forest Fuels) and form a single management team and infrastructure focused on selling wood chip and wood pellet to end customers throughout the UK.

These acquisitions have accelerated AMP's growth by providing a market leading distribution capability in wood fuels and providing us with a platform for further roll-up opportunities. The Directors believe that by combining the business development activities and offering both long term financing for biomass boilers and CHP systems together with long term wood fuels and maintenance contracts to end customers, there are significant opportunities to increase revenues.

Supply of chip and pellet to the right geographical locations and at the right price is critical to the future success of Forest Fuels and to the boilers developed by AMP and owned by AMPIL1 and AMPIL2. During the last 12 months, we are delighted to have struck two important commercial agreements with two of the largest and most respected suppliers in our industry: AW Jenkinson on wood chip supply; and Copenhagen Merchants on wood pellet supply. Both of these suppliers have also become stakeholders in AMP in the form of subscribing for Convertible Notes which aligns interests with all our shareholders over the longer term.

Revenues from the Forest Fuels division for the 12 months to 31 March 2017 were £15.5m, gross profit was £2.7m, EBITDA was £0.7m and profit from operations was £0.4m. These results do not yet reflect a full year of trading for Midlands Wood Fuel, Mi-Generation and PEL Limited which were acquired part way through the year as described above. In the year to 31 March 2018, we are targeting annualised sales to be in excess of £20m.

Project Development

AMP's project development team focuses on developing and installing biomass heat and biomass CHP systems for a wide range of commercial customers including schools, care homes, hotels, farms and industrial users of processed heat. AMP's business model for project development is to charge a 10% development fee at financial close on each project financed by AMPIL1 or AMPIL2 and this fee is calculated with reference to the total capital cost of each project.

Strategic Report continued

The team sources projects from various introducers and installers and works with the customer account managers at Forest Fuels to offer all fuel customers with a commercial boiler buy back scheme to allow them to sell their biomass installations at any time. The installations would be acquired by AMPIL. In the year to 31 March 2017, AMP arranged financing for 48 boilers and one heat pump. AMP also arranged finance via AMPIL2 for a 3MW natural gas peaking plant which is located next to an existing biomass CHP site which was developed by AMP and financed by AMPIL1 last year.

AMP has developed and arranged finance for a 21MW gas peaking plant which is situated on the Kingsnorth Industrial Estate in Kent which is in construction for a value of £14.1m. The project will install natural gas reciprocating engines selling power to the grid at times of peak demand. The project won a Capacity Market agreement in 2015 and commercial operations are expected to start before 1 October 2017. Finance for this project was provided from funds managed by Triple Point Investment Management LLP and Triple Point Lease Partners. During the year, AMP also sold its development interest in 37.5MWs of natural gas peaking plants to a third party.

AMP has a significant development interest in two large scale biomass CHP developments in Immingham and Hull. Both these schemes have secured planning permission and grid connection offers for 49.0MW and 49.9MW respectively. AMP and its development partners intend to secure external, off-balance sheet construction finance for these projects which is contingent on both schemes achieving Government incentives in the form of Contracts for Difference.

Revenues from the Project Development Division for the 12 months to 31 March 2017 were £3.9m, gross profit was £2.5m, EBITDA was £1.7m and profit from operations was £1.6m.

Investments

AMP's head office team aims to grow funds under management to support the project development team to generate annual management fees and to build up off-balance sheet deferred development fees and carried interest. The team also identifies long term equity investments in companies which are aligned to our corporate strategy.

AMPIL1 and AMPIL2 are special purpose vehicles which are wholly owned by Law Debenture Intermediary Corporation plc as trustee for general charitable purposes. AMPIL1 and AMPIL2 can issue 8% listed loan notes to fund renewable energy projects acquired from AMP and/or other developers. Under the terms of its contract with AMPIL1 and AMPIL2, AMP receives an upfront 10% development fee on each project and when AMPIL and AMPIL2 Loan Notes are repaid, AMP is entitled to receive 100% of the excess returns in the form of deferred development fees.

AMPIL2 which was launched in October 2016 with an initial £10.17m is the second special purpose vehicle which AMP Group has been able to access for its pipeline of developments and it follows on from AMPIL 1 which raised £12.4m from institutional and other investors in 2014 and 2015. After the year end, AMP announced in May 2017 that it has secured further funding of £29.46m for the financing of its biomass boiler portfolio and future grid balancing projects from AMPIL2.

In May 2017, AMP invested US$778,718 in IncubEx LLC, a private limited liability company which will focus on product and business development, in conjunction with market-leading partners, to innovate and incubate new financial products and services that meet the needs of the rapidly growing global commodities and clean energy markets. IncubEx brings together part of the team that helped build Climate Exchange into a successful business and Neil Eckert has become its non-executive chairman. AMP has a 28.8% stake in Incubex LLC and this has resulted in a fair value adjustment of £1.88m in the Company's Balance Sheet as at 31 March 2017.

As budgeted, there were no revenues generated from the Investments Division during the 12 months to 31 March 2017. Administrative expenses which include the Board, PLC and related head office costs amounted to £1.8m, interest expenses on the Convertible Notes amounted to £0.47m, amortisation of intangible assets other than goodwill relating to the acquisition of the fuels businesses was £0.14m and non-recurring costs were £0.13m resulting in a loss from operations from this segment of £1.04m.

Issuance of Ordinary Shares and Convertible Notes

During the 12 months to 31 March 2017, the Company issued £8.93m in Ordinary Shares to the vendors of PEL Limited and to existing and new investors to finance the cash portion of the acquisitions and to supplement group working capital.

During the year, the Company issued two tranches of Convertible Notes comprising £5.94m in aggregate and they have a conversion price equal to 86 pence per Ordinary Share. The initial tranche of Convertible Notes were issued in March 2016 for a nominal value of £4.07m and are identical in every respect, save for the conversion price, which is 70 pence per Ordinary Share. The Company can redeem the Convertible Notes at par after 31 March 2018 or the Convertible Note holder can convert the Convertible Notes into Ordinary Shares. The Convertible Notes have an 8 per cent. coupon per annum, paid quarterly in arrears and redeem at par, if not previously converted, on 30 March 2021. The Company has now issued £10.01m Convertible Notes in total.

Industry and policy background

We believe that there are a number of features of the renewable heat market which are highly beneficial for the AMP Group:

- The market for wood pellet and wood chip is strongly supported by the RHI scheme which will remain in place until March 2021;
- Accredited installations receive the RHI for 20 years providing long term demand for wood fuel. RHI payments are linked to inflation which should help support the inflationary growth in wood fuel prices, all things being equal;
- Government policy is increasingly focused on the decarbonisation of large industrial heat users where onsite biomass CHP systems can deliver value for money and CO_2 savings for both the government and end customers; and
- The UK's success in decarbonising electricity generation has not been matched in the heating sector. At approximately 6% of total heat capacity, renewable heat lags well behind the government's 2020 target of 12%.

We believe that there are a number of features of the modern day power market which are highly beneficial for the AMP Group:

- Intermittency from solar and wind combined with demand from electric vehicles at times of peak demand is driving growth in stand-by, flexible power generation;
- The expected loss of system inertia from the closure of thermal power plants (in particular coal and combined cycle gas turbines) is likely to increase the grid's sensitivity to frequency changes and therefore create demand for battery energy storage to regulate frequency;
- The structure of the energy markets, in the UK and elsewhere, provide a commercial opportunity for the small scale energy facilities that comprise the AMP Group's primary areas of focus, making use of local "behind the meter" energy sources to generate and supply energy close to the point of demand, so capturing higher retail prices for the energy produced and reducing the costs arising from energy delivery losses and grid charges;

Strategic Report continued

- The UK's drive to decarbonise (the Government has a legally binding target of reducing the UK's greenhouse gas emissions by 80% by 2050 against 1990 levels) is expected to require significant structural changes to the power market, with 8GW of coal fired generating capacity already decommissioned since 2012 due to the Large Combustion Plant Directive and a further 10GW is expected to close by 2025, most of which will happen by 2020. In addition 2GW of gas fired CCGT's is expected to close by 2020. Taken together this represents approximately 25% of Great Britain's generating capacity. This reduction in thermal generating capacity is expected to increase power price volatility and reduce system inertia.
- The world's capital investment in electricity generation has been thoroughly disrupted by the arrival of renewables. The UK has a peculiarly acute version of the problem that has arisen, owing to long term policy advocating private ownership of generation. This has resulted in large investment in renewables (and especially wind) but insufficient investment in flexible generation and storage necessary to keep the lights on. The UK Government's National Infrastructure Committee reported in 2016 on the need for regulatory support for investment in interconnectors, demand side response and energy storage; and,
- National Grid's latest consultation on System Needs and Product Strategy (June 2017) aims to simplify the way in which frequency and flexible generation are procured and reinforces AMP's grid balancing strategy.

AMP Group objectives and KPIs for 2017/8 are as follows:

- Aim to be a market leader in the supply of wood fuels retailing (wood pellet and wood chip) to end customers via a combination of organic growth and targeted acquisitions;
- Grow pipeline of biomass boiler, biomass CHP and existing boiler acquisitions generating development fees and future carried interest from AMPIL Loan Note issuance;
- Generate development fees and future carried interest from natural gas peaking plants and from battery storage projects;
- Build up annuity revenues from developing or acquiring an energy focused asset management business;
- Continue to invest in businesses aligned to our corporate strategy and objectives; and
- Supplement AMP's cash resources with additional new funding from one or a combination of: the issue of new Ordinary Shares for cash; the issue of new Convertible Notes; the refinancing of existing assets; raising project finance from third party providers; asset financing of core items of equipment; or any other compelling financing mechanism where the Directors consider doing so to be in the best interests of the company and its Shareholders.

2016 KPI	Comments on performance during year
Aim to be the market leader in wood fuels retailing (wood pellet and wood chip) via a combination of organic growth and targeted acquisitions.	**Achieved.** Following the acquisition of Midlands Wood Fuel, the Mi-Generation customer base and PEL Limited, Forest Fuels is becoming one of the largest distributors of wood fuels to RHI-led end customers. The business has also grown its customer volumes with organic growth during the year.
Grow pipeline of biomass boiler developments and existing boiler acquisitions generating development fees and future carried interest from AMPIL Loan Note issuance.	**Achieved.** The results for Project Development also reflect development fees earned on 48 boilers, one heat pump and a 3MW gas peaking plant. AMPIL2 raised £10.17m of 8% listed loan notes in October 2016. The Company's pipeline of future boiler investments which existed as at 31 March 2017 enabled a further tap issue for AMPIL2 of £29.5m which completed after the period end on 25 May 2017.
Generate development fees and future carried interest from larger scale development projects, energy storage and from the capacity market where it makes commercial sense to do so.	**Achieved.** The results for Project Development also reflect development fees earned on a 21MW gas peaking plant, a 3MW gas peaking plant and two further gas peaking plant developments of 37.5MWs in aggregate.
Supplement AMP's cash resources with additional new funding from one or a combination of: the issue of new Ordinary Shares for cash; the issue of new Convertible Notes; the refinancing of existing assets; raising project finance from third party providers; asset financing of core items of equipment; or any other compelling financing mechanism where the Directors consider doing so to be in the best interests of the company and its Shareholders.	**Achieved.** The Company issued 12.1m new Ordinary Shares during the year and £5.94m nominal of Convertible Notes were issued in two tranches. As at 31 March 2017, The Company had no bank debt other than £1.2m of asset finance on plant and equipment and a £3.1m invoice discounting facility in Forest Fuels.

Strategic Report continued

Risk factors

The principal risks of the business are documented below:

Risk	Mitigation Procedure
Staff retention risk	Long term lock in arrangements and incentivization structure to retain key staff through equity ownership. Contractual minimum notice periods for key staff sufficient to ensure time for recruitment/handover.
Public policy risk including changes to renewable incentives	Minimise construction timetable for individual projects. Changes to public policy mechanisms can adversely affect project returns but the Group is only exposed during the time between financial close and commencement of operations. Small scale projects which AMP is developing have relatively short construction times and so lower public policy exposure. In addition, where practicable, the company will seek to use existing public policy measures to lock in an entitlement to specific incentive rates before construction commences.
Feedstock price risk	The company will monitor prices and establish a policy for hedging exposures including managing merchant risk, including the development of a wood fuel supply model as a natural hedge against increasing biomass fuel prices. The company will establish supply contracts to minimise exposure where these are available at a reasonable price.
Brexit	The Brexit vote has three significant implications for the AMP Group: Continued and general uncertainty as regards future Government energy policy and delayed decisions as regards implementation and timing of policy revisions to the RHI and CfD subsidy frameworks. The Brexit vote and its political aftermath appears to have slowed down Government decision making as ministerial and Government responsibilities have changed. Forest Fuels imports wood pellet from Europe and the weaker pound has made imports more expensive although they still remain competitive compared to UK produced wood pellet. Exchange rate fluctuations can cause a lag effect with gross profit margin when higher import costs cannot be immediately absorbed by increased selling prices. The possible imposition of import tariffs on wood pellet could mean that the Company may need to source a higher proportion of its wood pellet supply from UK producers. There may well be an increase in the need for Grid Balancing sites and therefore further revenue opportunities if energy policy relating to the interconnectors with Europe result in restrictions or tariffs on electricity imported from Europe especially at times of peak demand.
Planning risk	The company will seek to minimise the extent of exposure and financial commitment prior to successful planning approvals.
Environment Agency/ Health and Safety risks	Industrial sites have potential exposure to environmental and Health and Safety ('H&S') issues. Health and Safety risk assessment has been undertaken, and relevant policies are in place. Health and Safety review is given priority at management meetings and Board Meetings. Staff training is provided as appropriate.
Tax compliance risk	Tax computations are outsourced to a professional service provider.

This Strategic Report was approved by the Board of Directors of the Company on 28 June 2017 and signed on their behalf by:

Richard Burrell, Chief Executive Officer

28 June 2017

Director's Report

Strategic report

A review of the business and future developments of the Group are included within the strategic report on page 4.

Results

Results for the year are set out in the Consolidated Statement of Comprehensive Income on page 18 and in the Consolidated Statement of Changes in Equity on page 20.

Directors

Neil Eckert (Executive Chairman)
Richard Burrell (Chief Executive Officer)
Mark Tarry (Chief Financial Officer and Head of Projects)
Sir Laurence Magnus (Senior Non-Executive Director, Chair of the Audit and Remuneration Committees)
Sir Brian Williamson (Non-Executive Director)
The Rt. Hon. Sir Nicholas Soames (Non-Executive Director)
Robert Bland DL (Non-Executive Director)

Auditors

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office. Under the Companies Act 2006 section 487(2) they will be automatically re-appointed as auditors 28 days after these accounts are sent to the members, unless the members exercise their rights under the Companies Act 2006 to prevent their re-appointment.

Directors' responsibilities

The Directors are responsible for preparing the Strategic report and 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 financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and company and of the profit or loss of the Group for that period.

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

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

Director's Report continued

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.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Remuneration

The company remunerates the Directors in line with their experience, the size of the company and its growth objectives. All remuneration is reviewed and approved by the remuneration committee. Details of Directors' salaries and benefits are set out below and in Note 7.

	Year ended 31 March 2017			Period ended 31 March 2016		
Director	**Salary**	**Other benefits**	**Total**	**Salary**	**Other benefits**	**Total**
Neil Eckert	205,000	3,531	208,531	51,250	837	52,087
Richard Burrell*	102,500	20,500	123,000	25,625	5,125	30,750
Mark Tarry	150,000	15,704	165,704	34,628	3,907	38,535
Sir Laurence Magnus	25,000	-	25,000	6,250	-	6,250
Sir Brian Williamson	15,000	-	15,000	3,750	-	3,750
The Rt. Hon. Sir Nicholas Soames	15,000	-	15,000	3,750	-	3,750
Robert Bland DL	7,500	-	7,500	-	-	-
Total	**520,000**	**39,735**	**559,735**	**125,253**	**9,869**	**135,122**

* In addition consultancy services to the Group under a consultancy agreement between AMP Energy Services Limited and Mathieson Capital Investment Management Limited were also provided during the year. Mr Burrell has a significant interest in Mathieson Capital Investment Management Limited. The fee for these services was £102,500 (2016: £25,625 in the 3 month period to 31 March 2016).

Directors' interests

The following Directors held shares in the company as at 31 March 2017

Neil Eckert[1]	7,704,000
Richard Burrell[2]	2,730,000
Mark Tarry	230,000
Sir Laurence Magnus[3]	175,000
Sir Brian Williamson[4]	100,000
The Rt. Hon. Sir Nicholas Soames	50,000

1 Neil Eckert also owns £950,000 nominal of Convertible Notes as at 31 March 2017 following the acquisition of Forest Fuels

2 30,000 shares held by Mathieson Capital Fund Management LLP an entity owned by Richard Burrell. Richard Burrell also owns 400,000 Convertible Notes held via his SIPP with Platform Securities Nominees Limited as Nominee issued on 19 December 2016

3 Sir Laurence Magnus also owns £46,250 nominal of Convertible Notes as at 31 March 2017 following the acquisition of Forest Fuels

4 Sir Brian Williamson also owns £20,000 nominal of Convertible Notes as at 31 March 2017 following the acquisition of Forest Fuels

5 Robert Bland also owns £290,613 nominal of Convertible Notes as at 31 March 2017 following the acquisition of Forest Fuels

Director's Report continued

Dividend

No dividend is recommended to be paid in respect of the 2017 period (2016: nil).

Events after the reporting period

Refer to Note 17 to the accounts for details of events after the reporting date.

Financial instruments

Note 21 to the accounts sets out details of the Group's exposure to financial instruments.

Directors and their disclosures

Details of the composition of the Board of Directors are set out on page 14.

Each of the persons who were Directors at the date the report was approved have confirmed that:

(a) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This Directors' Report was approved by the Board of Directors of the company on 30 June 2017 and signed on their behalf by:

Richard Burrell, Chief Executive Officer

28 June 2017

Corporate Governance

The Directors support high standards of corporate governance and confirm that they pay due regard to the UK Corporate Governance Code insofar as is practicable given its size and nature.

Constitution of the board

During the period there were eight full board meetings. The Audit Committee met 3 times during the period. The Remuneration and Nomination Committees did not meet.

The board was comprised of the following:

Sir Laurence Magnus	Senior Independent Non-executive
Sir Brian Williamson	Non-executive
The Rt. Hon. Sir Nicholas Soames	Non-executive
Robert Bland DL	Non-executive (appointed 06/10/2016)
Neil Eckert	Executive Chairman
Richard Burrell	Chief Executive Officer
Mark Tarry	Chief Financial Officer and Head of Projects

Committees of the board

The Audit Committee is made up of Sir Laurence Magnus (Chairman), Sir Brian Williamson, Robert Bland DL and The Rt. Hon. Sir Nicholas Soames, with the company secretary serving as secretary.

The Audit Committee's terms of reference requires the committee to meet at least 2 times per year to coincide with key dates in the company's financial reporting cycle and at such other times as the Committee Chairman shall require. The Committee is responsible for monitoring the integrity of the financial statements of the company including those which are relied upon by the Board. The Committee reviews the company's corporate reporting, risk management, financial statements and internal financial controls, considers the need for internal audits and the scope and planning of external audits and the findings of the audits and keeps under review the company's relationship with the external auditor.

The Remuneration Committee is made up of Sir Laurence Magnus (Chairman), Sir Brian Williamson, Robert Bland DL and The Rt Hon. Sir Nicholas Soames, with the company secretary serving as secretary.

The Remuneration Committee shall meet at such times as the Chairman of the Committee shall require. The purpose of the Committee is to recommend to the Board the company's general policy on remuneration and in particular to determine the remuneration packages for the Executive Chairman and the Executive Directors.

The Nomination Committee is made up of Sir Laurence Magnus (Chairman), Sir Brian Williamson, Robert Bland DL and The Rt. Hon. Sir Nicholas Soames, with the company secretary serving as secretary.

The Committee shall meet at such times as the Chairman of the Committee shall require. The purpose of the Committee is to review the structure, size and composition (including the skills, knowledge, experience and diversity) required of the Board and make recommendations to the Board with regard to any changes.

Corporate Governance continued

Attendance at meetings

During the period there were eight board meetings and the details of attendees are set out below.

Sir Laurence Magnus	(4/8)
Sir Brian Williamson	(4/8)
The Rt. Hon. Sir Nicholas Soames	(4/8)
Robert Bland DL	(2/5)
Neil Eckert	(8/8)
Richard Burrell	(8/8)
Mark Tarry	(7/8)

Bribery Act compliance

In 2014 the company adopted an Anti-Bribery and Corruption Policy. This is kept under review by the Audit Committee under its terms of reference.

Matters reserved for the Board

In June 2014 the company adopted a schedule of Matters Reserved for the Board. This includes the approval of Group strategy and policies, major acquisitions and disposals, major capital projects and financing, Group budgets and material contracts entered into other than in the ordinary course of business, reviewing the functioning of the internal control environment and reviewing corporate governance arrangements. The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. It also retains oversight of the risk management and internal control systems with the aim that these are sound and protect shareholders' interests. This is kept under review by the Audit Committee under its terms of reference.

Relations with shareholders

The company endeavours to maintain communication with shareholders through regulatory announcements, via the company's website and by direct contact with its major shareholders. The Board values the views of its shareholders and fosters continuing dialogue with investment and fund managers, other investors and equity analysts to ensure that the investing community receives an informed view of the group's prospects, plans and progress.

Independent Auditor's Report to the Members of Aggregated Micro Power Holdings plc

We have audited the financial statements of Aggregated Micro Power Holdings plc for the year ended 31 March 2017 which comprise the consolidated statement of comprehensive income, consolidated and company statement of financial position, the consolidated and company statement of cash flows, the consolidated statement of changes in equity and the related notes. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of 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 2017 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's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 period for which the financial statements are prepared is consistent with the financial statements and the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Based on our knowledge and understanding of the company and its environment obtained during the course of the audit we have identified no material misstatements in the strategic report or the directors' report.

Independent Auditor's Report to the Members of Aggregated Micro Power Holdings plc continued

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

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.

Marc Reinecke (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
55 Baker Street
London
W1U 7EU

28 June 2017

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 2017

	Note	Year ended 31 March 2017 £	Year ended 31 March 2016 £
Continuing operations			
Revenue	4	19,719,142	203,901
Cost of sales		(14,245,059)	(75,397)
Gross profit		**5,474,083**	**128,504**
Other operating income	5	397,585	16,250
Administrative expenses		(5,899,702)	(695,175)
Fair value adjustment on deferred consideration	25	-	43,514
Gain on financial asset at fair value through profit or loss	20	1,879,044	-
Profit/(Loss) from operations	6	**1,851,010**	**(506,907)**
Finance income		2,004	130
Finance expense	8	(919,534)	(16,358)
Profit/(Loss) before tax		**933,480**	**(523,135)**
Tax credit	9	94,369	169,680
Profit/(Loss) for the year and total comprehensive expense attributable to the ordinary equity shareholders of the parent		**1,027,849**	**(353,455)**
Earnings per share attributable to the ordinary equity holders of the parent	26	**3.19**	**(1.33)**

The notes on pages 22 to 50 form an integral part of these financial statements

Consolidated Statement of Financial Position

As at 31 March 2017

Company number: 08372177

	Note	31 March 2017 £	31 March 2016 £
Non-current assets			
Property, plant and equipment	10	2,364,747	785,390
Investment in associate	20	2,402,945	-
Intangibles	11	9,862,560	2,720,334
Total non-current assets		**14,630,252**	**3,505,724**
Current assets			
Inventories	13	2,609,018	1,257,780
Trade and other receivables	14	10,747,768	4,721,285
Cash and cash equivalents	15	818,966	801,871
Total current assets		**14,175,752**	**6,780,936**
Total assets		**28,806,004**	**10,286,660**
Current liabilities			
Trade and other payables	16	8,052,510	3,934,047
Loans and borrowings	17	494,412	90,024
Total current liabilities		**8,546,922**	**4,024,071**
Non-current liabilities			
Loans and borrowings	17	9,270,958	3,454,821
Deferred Contingent Consideration	25	8,218	8,218
Deferred tax liability	9	571,115	307,977
Total non-current liabilities		**9,850,291**	**3,771,016**
Total liabilities		**18,397,213**	**7,795,087**
Net assets		**10,408,791**	**2,491,573**
Equity attributable to equity holders of the company			
Paid up share capital	18	189,052	144,423
Share premium	18	12,519,616	11,069,200
Merger reserve		6,648,126	6,648,126
Other reserve		9,046,180	4,546,180
Convertible debt option reserve		1,453,603	559,279
Retained deficit		(19,447,786)	(20,475,635)
Total equity		**10,408,791**	**2,491,573**

The financial statements were approved by the Directors on 28 June 2017 and signed on their behalf by:

Richard Burrell, Chief Executive Officer

The notes on pages 22 to 50 form an integral part of these financial statements

Consolidated Statement of Changes in Equity

For year ended 31 March 2017

Period ended 31 March 2016	Share capital £	Share premium £	Retained deficit £	Merger reserve £	Other Reserve £	Convertible debt option reserve £	Total £
Equity as at 1 January 2016	128,473	9,484,658	(20,122,180)	6,648,126	4,546,180	-	685,257
Loss for the period	-	-	(353,455)	-	-	-	(353,455)
Total comprehensive expenses	-	-	(353,455)	-	-	-	(353,455)
Issue of share capital	15,950	1,706,650	-	-	-	-	1,722,600
Equity element of convertible debt	-	-	-	-	-	587,399	587,399
Share issue cost	-	(122,108)	-	-	-	(28,120)	(150,228)
Year ended 31 March 2016	**144,423**	**11,069,200**	**(20,475,635)**	**6,648,126**	**4,546,180**	**559,279**	**2,491,573**

Period ended 31 March 2017	Share capital £	Share premium £	Retained deficit £	Merger reserve £	Other Reserve £	Convertible debt option reserve £	Total £
Equity as at 1 April 2016	144,423	11,069,200	(20,475,635)	6,648,126	4,546,180	559,279	2,491,573
Profit for the period	-	-	1,027,849	-	-	-	1,027,847
Total comprehensive expenses	-	-	1,027,849	-	-	-	1,027,847
Issue of share capital	44,629	1,490,370	-		4,500,000	-	6,034,999
Equity element of convertible debt	-	-	-	-	-	894,324	894,324
Share issue cost	-	(39,954)	-	-	-	-	(39,954)
Movement between reserves	-	-	-	-	-	-	-
Equity as at 31 March 2017	**189,052**	**12,519,616**	**(19,447,786)**	**6,648,126**	**9,046,180**	**1,453,603**	**10,408,789**

Share capital: Nominal value of shares issued.

Share premium: Amount subscribed for share capital in excess of the nominal value.

Capital contribution: Relates to funding from the shareholders for which no share capital was issued and that funding meets the definition of an equity instrument.

Retained deficit: All other net losses and transactions with owners (e.g. dividends) not recognised elsewhere.

Merger reserve: Created on the issue of shares on acquisition of its subsidiary accounted for in line with the Company's Act 2006 provisions.

Other reserve: Amount raised through the use of a cashbox structure and applying merger relief on business combination where the consideration for shares in another company includes issued shares and on completion of the transaction, the company issuing the shares will have secured at least a 90% equity holding in the other company.

Convertible debt option reserve: Amount recorded as equity on the initial fair value measurement of issued convertible loan notes.

The notes on pages 22 to 50 form an integral part of these financial statements

Consolidated Statement of Cash Flows

For year ended 31 March 2017

	Note	31 March 2017 £	31 March 2016 £
Operating activities			
Loss for the period after tax		1,027,849	(353,455)
Adjustments for:			
Write-off of development fee		57,734	-
Tax credit	9	(94,369)	(169,680)
Interest Income		(2,004)	(130)
Fair value adjustment on financial liabilities at fair value through profit and loss	24	-	(43,514)
Gain on financial asset at fair value through profit or loss		(1,879,044)	-
(Profit)/Loss on disposal of FA		(151,368)	-
Interest paid	8	584,286	15,468
Movement in foreign exchange		41,063	406
Amortisation of intangibles	11	174,672	-
Depreciation of property, plant and equipment	10	358,561	723
Cash flows from operating activities before changes to working capital		117,380	(550,182)
Change in working capital, net of effects from acquisition of subsidiaries			
(Increase)/decrease in inventories		(1,351,239)	60,692
(Increase)/decrease in trade and other receivables		(7,792,615)	493,475
Increase/(decrease) in trade and other payables		4,542,249	(162,312)
		(4,601,605)	391,855
Cash generated from operations		**(4,484,225)**	**(158,327)**
R&D tax credit received		-	169,680
Net cash flows from operating activities		**(4,484,225)**	**11,353**
Investing activities			
Acquisition of a subsidiary, net of cash acquired		(1,850,888)	(2,310,888)
Investment in associate		(523,901)	-
Purchase of intangibles		(300,000)	-
Purchase of property, plant and equipment		(300,950)	(700)
Proceeds from sale of assets		402,923	-
Loans to third party		(92,106)	(58,150)
Interest received		2,004	129
Net cash used in investing activities		**(2,662,918)**	**(2,369,609)**
Financing activities			
Share issue cost		(39,954)	(122,108)
Proceeds from issue of convertible notes		5,033,197	2,833,519
Proceeds from issue of ordinary shares		3,217,645	-
CLN issue cost		(282,194)	(195,019)
Payments of interest on borrowings		(495,763)	(30,544)
Payments on financial lease		(268,692)	(1,657)
Net cash used in financing activities		**6,828,990**	**2,484,191**
Net increase in cash and cash equivalents		17,095	125,935
Cash and cash equivalents at beginning of period		801,871	675,936
Cash and cash equivalents at end of period		**818,966**	**801,871**

The notes on pages 22 to 50 form an integral part of these financial statements

Notes to the Financial Statements

For the year ended 31 March 2017

1 Accounting policies

Basis of preparation

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 periods presented, unless otherwise stated.

The comparative figures in the financial statements are in respect of the audited three month period (1 January 2016 to 31 March 2016) to 31 March 2016.

These financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("adopted IFRSs").

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in Note 2. The financial statements are drawn up in Pound Sterling, the presentational currency of the Group.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the company

New interpretations and a number of amendments are effective for the first time for periods beginning on 1 April 2016, and have been adopted in these financial statements. None of the amendments resulted in effect on the group's consolidated financial statements.

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The new standards and interpretations are not expected to have a material impact on the Group's financial statements.

- IFRS 9 Financial Instruments (effective 1 January 2018)
- IFRS 15 Revenue from Contracts with Customers (effective 1 January 2018)
- IFRS 16 Leases (effective 1 January 2019)
- Amendments to IAS 12: Recognition of Deferred Tax Assets for unrealised losses (effective 1 January 2017)
- Amendments to IAS 7: Disclosure initiative (Not yet endorsed)
- Clarifications of IFRS 15 Revenue from Contracts with Customers (effective 1 January 2019)
- Annual Improvements to IFRSs (2012–2016 Cycle) (effective 1 January 2018).

Management are in the process of assessing the impact of IFRS 9, 15 and 16 on the financial statements.

Basis of consolidation

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Notes to the Financial Statements continued

For the year ended 31 March 2017

1 Accounting policies continued

Basis of consolidation *continued*

The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquirer's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Business combinations

The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange. Where equity instruments are issued in a business combination, the fair value of the instruments is their published price at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuations methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Except for non-current assets or disposal groups classified as held for sale (which are measured at fair value less costs to sell), all identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the cost of the business combination over the net fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the Group's share of the net fair value of the identifiable net assets of the subsidiary, the difference is recognised as a gain in the Statement of Comprehensive Income, but only after a reassessment of the identification and measurement of the net assets required.

Where settlement of any part of the consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, re measured subsequently through profit or loss. Direct costs of acquisition are recognised immediately as an expense.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised. As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the Statement of Comprehensive Income. An impairment loss recognised for goodwill is not reversed.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Notes to the Financial Statements continued

For the year ended 31 March 2017

1 Accounting policies continued

Intangibles acquired in a business combination

Other intangible assets acquired both separately and from a business combination

Intangible assets acquired separately are capitalised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

Intangibles recognised on business combinations, if they are separately identifiable from the acquired entity or arise from other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques (see critical estimates and judgements section). Intangibles acquired through a business combination are recognised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied.

The significant intangibles recognised by the Group, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Intangible asset	Useful economic life	Valuation method
Brand	20 years	Estimated discounted cash flows from royalties
Long term contracts and customer relationships	10 years	Estimated discounted cash flows

Intangible assets are tested for impairment where an indicator of impairment exists, and in the case of indefinite life intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Comprehensive Income when the net asset is derecognised.

Going concern

After reviewing the Group's operations, financial position and short and long term cash flow forecasts, the Directors believe that the Group has adequate resources to continue operating and meet its financial obligations.

Revenue recognition

Revenue for the Group is measured at the fair value of the consideration received or receivable. The Group recognises revenue for services provided it is probable that future economic benefits will flow to the entity.

Development, management and consultancy fees are recognised in the period that the service is rendered.

In circumstances where biomass boiler projects are sold at financial close (development stage) and where the majority of installation costs are funded by the buyer, revenues from the sale of a project are recognised as development fees and development costs which are directly attributable to the development of biomass boiler projects and any costs which are recharged at cost are recorded in work in progress and subsequently transferred to cost of sales at financial close. Financial close is typically defined as the point at which projects have a full suite of documentation (which may include a license to occupy, lease, heat off take agreement) acceptable to the buyer.

AMP has also acted as agent for other developers introducing projects to AMPIL. In such circumstances development fees have been shared and the fees have been recognised net of any commissions payable to third parties, and are recognized as the services are delivered.

Revenues from electricity, ROCs and RHI are recognised at the point of generation and are based on the combination of sales prices achieved, the average market prices observed for ROC sales, published tariff levels and metered generation.

1 Accounting policies continued

Revenue recognition *continued*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue from maintenance and consulting services is recognised by reference to the stage of completion and agreed contractual milestones. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Retirement Benefits: Defined contribution schemes

Contributions to defined contribution schemes are charged to the profit and loss in the year to which they relate.

Property, plant and equipment

All property, plant and equipment are stated at cost less depreciation. Such costs include costs directly attributable to making the asset capable of operating as intended. Costs attributable to assets under construction are included within the capitalised costs of those assets and include refurbishment and commissioning costs.

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs.

Depreciation on assets under construction does not commence until they are complete and available for use.

Depreciation is provided on all items of property, plant and equipment so as to write off their carrying value over the expected useful economic lives. It is provided at the following rates:

Plant and machinery	–	3-20 years straight line
Farm and upgrade	–	3-20 years straight line
Fixtures and fittings	–	3-5 years straight line
Office equipment	–	3-5 years straight line
Computer equipment	–	3-5 years straight line
Motor vehicle	–	3-5 years straight line

Impairment

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

Financial instruments

The Group classifies its financial assets and liabilities as receivables and loans, discussed below, due to the purpose for which the asset or liability was acquired.

Notes to the Financial Statements continued

For the year ended 31 March 2017

1 Accounting policies continued

Financial assets

The Group's financial assets mainly comprise of cash, trade and other receivables, and investments in associates. Cash comprises cash in hand and deposits held at call with banks.

Financial assets are classified as loans and receivables, and financial assets at fair value through profit or loss (FVPL).

Trade and other receivables are not interest bearing and are stated at their nominal value as reduced by appropriate impairments for irrecoverable amounts or additional costs required to effect recovery.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable.

Financial assets and liabilities at FVPL

Financial instruments designated as at FVPL upon initial recognition, this includes an investment in associate. This financial asset is designated upon initial recognition on the basis that it is the first of a group of financial assets that are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Group.

In accordance with the exemption within IAS 28 Investments in Associates and Joint Ventures, the Group does not account for its investments in associates using the equity method. Instead, the Group has elected to measure its investments in associates at FVPL.

This investment in associate has initially been recognised in the statement of financial position at fair value.

After initial measurement, the Group measures its financial instruments which are classified as at FVPL, at fair value.

Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at FVPL in the statement of comprehensive income. Interest and dividends earned or paid on these instruments are recorded separately in interest revenue or expense and dividend revenue or expense in the statement of comprehensive income.

Fair value measurement

The Group measures its investment in associate at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same).

The Group has classified the investment in associate as Level 3.

1 Accounting policies continued

Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The accounting policy for each category is as follows:

Financial liabilities at fair value through profit and loss

This category comprises the deferred contingent consideration on acquisitions which is discussed in more detail in note 24. This consideration is revalued at each reporting date. It is adjusted against goodwill within 12 months following the acquisition and through the income statement thereafter.

Other financial liabilities

Other financial liabilities include the following items:

Loans and borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Loans and borrowings include an invoice discounting facility.

Liability components of convertible loan notes are measured as described further below.

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Convertible debt

The proceeds received from the issue of the convertible debt are allocated between their financial liability and equity components. The financial liability is initially recognised at fair value (being the discounted cash flows using a market rate of interest that would be payable on a similar instrument that does not include an option to convert). Subsequently, the financial liability is measured at amortised cost.

The equity component is assigned to the residual amount after deducting this fair value liability from the fair value of the financial instrument as a whole. It is recognised in the 'Convertible debt option reserve' within shareholders' equity, net of income tax effects. More information is provided in note 20.

Share Capital

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability. The Group's Ordinary Shares are classified as equity instruments.

Leased Assets

Where substantively all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Group (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the consolidated statement of comprehensive income over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Where substantively all of the risks and rewards incidental to ownership are not transferred to the Group (an 'operating lease'), the total rentals payable under the lease are charged to the consolidated statement of comprehensive income on a straight line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight line basis.

Notes to the Financial Statements continued

For the year ended 31 March 2017

1 Accounting policies continued

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the consolidated statement of financial position date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either: the same taxable Group company; or different company entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets and liabilities are expected to be settled or recovered.

Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the management team including the Chairman, Chief Executive Officer, and Chief Financial Officer.

Management monitors the operating results of business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss. Finance costs, finance income and income taxes are managed on a group basis (note 3).

Foreign currency

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

Inventories

Raw materials and consumables are initially recognised at cost, and subsequently at the lower of the cost and net realisable value. Cost comprises all costs incurred in bringing the inventories to their present location and condition.

Raw materials and consumables are used on a first in, first out basis. Work In Progress relates to expenditure on biomass boiler, Combined Heat and Power ('CHP') and grid balancing projects, which are recognised at cost until they are sold.

Costs which are directly attributable to the development of biomass boiler, CHP and grid balancing projects, and which have a reasonable expectation of obtaining the consents required for further development, and to the extent that those costs do not exceed expected recoverable amounts, are treated as Work In Progress and not expensed.

1 Accounting policies continued

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2 Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Judgements and accounting estimates and assumptions

(a) Property, plant and equipment

Property, plant and equipment is depreciated over the useful lives of the assets. Useful lives are based on management's estimates of the period that the assets will generate revenue, which are reviewed annually for continued appropriateness. The carrying values are tested for impairment when there is an indication that the value of the assets might be impaired. Impairment tests are based upon future cash flow forecasts and these forecasts are based upon management judgement. Future events could cause the assumptions to change, therefore this could have an adverse effect on the future results of the Group.

(b) Fair value of deferred contingent consideration

The fair value of Neil Eckert's and Richard Burrell's deferred contingent consideration relating to the Group's merger and acquisition of AMP Energy Services Limited (formerly Environova Consulting Limited) and Mathieson Biomass Limited respectively has been valued to market and recognised in the statements of comprehensive income and financial position. For details of the estimates and judgements see note 25.

The fair value of the deferred contingent consideration relating to the Group's acquisition of Forest Fuels Holdings Limited and its controlled subsidiaries has been valued to market and recognised in the statements of comprehensive income and financial position. For details of the estimates and judgements see note 25.

(c) Impairment of assets

All assets, excluding goodwill, are reviewed for indicators of impairment. Impairment tests are carried out when there is a trigger event. Goodwill is tested for impairment on an annual basis. The recoverable amount of the fixed assets is calculated using a discounted cash flow ('DCF') model where an appropriate, or market based, discount rate is applied to future cash flows expected to be generated by the assets. Under IAS 36 an asset is impaired if its carrying value is greater than its recoverable amount or fair value. For details of the estimates and judgements see note 10.

(d) Loan receivables

The Real Ventures loan receivables of £528,000, included in trade and other receivables, are currently being held at cost ahead of the government's auction for Contracts for Difference which is scheduled for later in the year. Management remain confident that the loans will be repaid if the projects are successful in the auction.

Notes to the Financial Statements continued

For the year ended 31 March 2017

2 Critical accounting estimates and judgements continued

(e) Impairment of Bad and doubtful debts

All trade and other receivables aged outside standard terms of trade are assessed for recoverability. Management estimates the bad and doubtful debt provision based on customer payment history as well as customer credit ratings and record a doubtful debt provision where appropriate.

(f) Taxes

Deferred tax assets are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, as well as for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. Refer to note 9 for further information on deferred tax assets on carried forward losses. Deferred taxes are recognised at the substantively enacted rate, being the rate they are expected to be utilised.

(g) Valuation of intangible assets

A valuation exercise on intangibles has been performed as part of a Purchase Price Allocation exercise. The values of these intangibles and of the balance sheet acquired are provisional and within one year of the date of acquisition may be adjusted as a result of the finalisation of valuations. Please refer to note 11 for further information on the key assumptions used in this exercise. Impairment of intangible assets including goodwill is calculated using estimated future cash flows and a judgemental discount rate.

(h) Useful lives of intangible assets

The useful life used to amortise intangible assets relates to the expected future performance of the assets acquired and management's estimate of the period over which economic benefit will be derived from the asset. The basis for determining the useful life for the most significant categories of intangible assets is as follows:

- The useful life of long term contracts and customer relationships principally reflects management's view of the average economic life of the customer base and is assessed by reference to customer churn rates. An increase in churn rates may lead to a reduction in the estimated useful life and an increase in the amortisation charge.

(i) Investment in associate – financial asset at fair value through profit or loss

In accordance with the exemption within IAS 28 Investments in Associates and Joint Ventures, the Group does not account for its investments in associates using the equity method. Instead, the Group has elected to measure its investments in associates at FVPL. The Directors have assessed that the Group meets the definition of a "venture capital organisation". Such characteristics of a venture capital organisation may include, but are not limited to:

- investments are held for the short- to medium-term rather than for the long-term;
- the most appropriate point for exit is actively monitored; and
- investments form part of a portfolio, Incubex being the first investment of such nature, which is monitored and managed separately from the core operational business and without distinguishing between investments that qualify as associates or joint ventures and those that do not.

The Group's intention is to hold investments in associates for up to 5 years. The strategy of the Group is to hold significant interest in the companies within the same sector of operation and subsequently engage in an exist strategy.

Notes to the Financial Statements continued

For the year ended 31 March 2017

3 Segmental information

For management purposes, the Group is organised into business units based on its products and services. During the period, the Group's three main operating segments were: Project Development, Forest Fuels and Investments & HQ.

- AMP's project development division develops, finances and manages distributed energy projects focusing on biomass heat and biomass CHP for a wide range of applications and customers. We also develop and finance gas-fired peaking plants and storage to provide reserve power and frequency stability which aim to balance the transmission grid at times of peak demand.
- Forest Fuels sells high quality wood chip and wood pellet to end customers throughout the UK in the form of fuel only contracts, heat contracts and/or fuels plus operation and maintenance.
- AMP Investments and HQ aim to grow funds under management. It includes the overhead costs of the Board and related PLC expenses.

The Gasification Project segment of the Group was discontinued in the comparative period. The results have been prepared using consistent accounting policies for each segment as detailed in Note 1.

The Group was exclusively focused on UK operations, and all non-current assets are located in the UK.

The performance of each segment is reported below.

Operating segments – Year Ending 31 March 2017	Project development £	Forest Fuels £	Investments £	Total £
Revenue	3,877,850	15,841,292	-	19,719,142
Cost of sales	(1,419,899)	(12,825,159)	-	(14,245,058)
Gross profit	**2,457,952**	**3,016,133**	**-**	**5,474,084**
Other operating income	163,812	235,776	-	399,588
Administrative expenses	(879,688)	(2,494,726)	(1,845,477)	(5,219,891)
Adjusted EBITDA*	**1,742,076**	**757,183**	**(1,845,478)**	**653,781**
Depreciation	-	(353,760)	(4,799)	(358,559)
Finance expense	-	(114,963)	(469,323)	(584,286)
Amortisation Intangibles	-	-	(174,672)	(174,672)
CLN interest	-	-	(335,248)	(335,248)
P&L on sale of Assets	-	151,368	-	151,368
Other Non-Recurring Costs	(99,672)	(72,914)	(125,362)	(297,948)
Fair value adjustment on investment in associate	-	-	1,879,044	1,879,044
Tax credit	-	59,614	34,755	94,369
Profit/(Loss) after tax	**1,642,404**	**426,528**	**(1,041,083)**	**1,027,849**
Segment assets	5,875,686	9,752,329	13,294,229	28,922,244
Segment liabilities	(548,288)	(8,002,478)	(9,962,687)	(18,513,453)
	5,327,398	**1,749,851**	**3,331,542**	**10,408,791**

* We have presented an Adjusted EBITDA, which is earnings before interest, tax, depreciation and amortisation, as well as non recurring income and costs.

Notes to the Financial Statements continued

For the year ended 31 March 2017

3 Segmental information continued

Operating segments – Period Ending 31 March 2016	Gasification projects £	Project development £	Forest fuels £	Investments £	Total £
Revenue	19,578	184,323	-	-	203,901
Cost of sales	(5,773)	(69,624)	-	-	(75,397)
Gross profit	13,805	114,699	-	-	128,504
Other operating income	16,250	-	-	-	16,250
Fair value adjustment on deferred consideration	-	43,514	-	-	43,514
Administrative expenses (Low Plains)	(60,261)	-	-	-	(60,261)
Administrative expenses (Central Overheads)	(211,397)	(211,397)	-	(211,397)	(634,191)
Depreciation	-	(723)	-	-	(723)
Loss from operations	(241,603)	(53,907)	-	(211,397)	(506,907)
Segment assets	173,353	4,579,090	5,534,216	-	10,286,604
Segment liabilities	87,834	3,668,367	4,038,885	-	7,795,087
	85,519	910,723	1,495,331	-	2,491,573

4 Revenue

	Year ended 31 March 2017 £	Period ended 31 March 2016 £
Electricity generation	15,296	18,590
Wood fuel sales	15,522,328	988
Development, Management and Consultancy fees	4,181,518	184,323
	19,719,142	**203,901**

5 Other operating income

	Year ended 31 March 2017 £	Period ended 31 March 2016 £
Rental Income	45,834	16,250
Other Income	351,752	-
	397,586	**16,250**

Notes to the Financial Statements continued

For the year ended 31 March 2017

6 Operating loss

Operating loss is stated after charging:	Year ended 31 March 2017 £	Period ended 31 March 2016 £
Depreciation	358,561	723
Amortisation intangibles	174,672	-
Auditors remuneration:		
– audit related services for the audit of this company	11,240	-
– audit related services for the audit of the subsidiaries	116,750	19,253
Foreign Exchange Loss	34,980	406
Operating lease payments	10,466	25,358
Staff costs	2,938,924	349,079
Licence to occupy payments	621,093	46,300
Inventory recognised as an expense	-	74,758
P&L on Sale of Asset	(151,368)	-
Non-recurring items	297,947	-
Consultancy Fees	482,238	
Other Administrative expense	1,004,199	254,056
	5,899,702	**769,933**

7 Staff costs

	Year ended 31 March 2017 £	Period ended 31 March 2016 £
Staff costs (including directors) comprise:		
Wages and salaries	2,642,289	260,959
Social security contributions and similar taxes	131,367	34,028
Defined contribution pension costs	92,171	22,132
Redundancy costs	-	20,466
Other personnel related costs	73,097	11,494
	2,938,924	**349,079**
Average number of staff	50	15

Directors' salaries

	Year ended 31 March 2017 £	Period ended 31 March 2016 £
Short term employee benefits	520,000	125,253
Payments to Mathieson Capital Investment Management Ltd	102,500	25,625
Other personnel related costs	5,235	1,244
Total pension and other post-employment benefit costs	34,500	8,625
	662,235	**160,747**

Notes to the Financial Statements continued

For the year ended 31 March 2017

7 Staff costs continued

Highest paid Director

	Year ended 31 March 2017 £	Period ended 31 March 2016 £
Short term employee benefits	205,000	51,250
Total pension and other post-employment benefit costs	3,531	5,125
	208,531	**56,375**

Key management personnel are all the Directors of the company.

8 Finance expense

	Year ended 31 March 2017 £	Period ended 31 March 2016 £
Interest expense	65,974	16,358
Convertible Loan Note interest	493,820	-
Amortisation of Convertible Loan Notes	335,248	-
Finance Lease interest	24,491	-
	919,533	**16,358**

9 Taxation

	Year ended 31 March 2017 £	Period ended 31 March 2016 £
Current tax credit	59,614	169,680
Deferred tax expense	34,754	-
Total tax credit	94,368	169,680
Profit/(Loss) before income taxes	**933,480**	**(523,135)**
Expected tax charge based on the standard rate of United Kingdom corporation tax at the domestic rate of 20% (2016: 20.25%)	186,696	(104,627)
Expenses not deductible for tax purposes	113,017	210
(Gains)/loss not taxable	(405,896)	(8,702)
Unprovided losses carried forward	11,815	113,119
R & D tax credit received	-	(169,680)
Total (credit)	**(94,368)**	**(169,680)**

Notes to the Financial Statements continued

For the year ended 31 March 2017

9 Taxation continued

Deferred tax

	Consolidated statement of financial position		Consolidated statement of profit or loss	
	Year ended 31 March 2017 £	**Period ended 31 March 2016 £**	**Year ended 31 March 2017 £**	**Period ended 31 March 2016 £**
Accelerated depreciation for tax purposes	(56,402)	(56,402)	-	-
Fair Value uplift on business combinations	(549,467)	(251,575)	-	-
Deferred tax expense/(benefit)	34,754	-	34,754	-
Net deferred tax asset/(liability)	(571,115)	(307,977)	-	-

Reconciliation of deferred tax liabilities

	Year ended 31 March 2017 £	Period ended 31 March 2016 £
Opening	(307,977)	-
Deferred taxes acquired in business combinations	-	(56,402)
Deferred taxes on fair value uplift on business combinations	(297,891)	(251,575)
Deferred tax expense/(benefit)	34,754	-
Closing	**(571,115)**	**(307,977)**

A deferred tax asset on carried forward loss has not been recognised on the basis that there is no certainty over the future taxable profits. Losses carried forward to be utilised against future profits is £13,580,490 (2016: £12,285,308). Deferred tax unrecognised at the end of the year amounts to £2,580,293 (2016: £2,088,502). The deferred tax rate for 31 March 2017 is 19% being the substantively enacted rate at the end of the period.

The main rate of UK corporation tax has decreased from 21% to 20% from 1 April 2015, resulting in an effective corporation tax rate of 20% for this accounting period. This will further reduce to 19% from 1 April 2017 and 17% from 1 April 2020.

Further tax credits for 2017 are expected; the quantum of which are unknown and no provision has been included within these accounts on the grounds there is no certainty they will be received.

Notes to the Financial Statements continued

For the year ended 31 March 2017

10 Property, plant and equipment

	Assets Under Construction £	Farm & Upgrade £	Plant & Machinery £	Office Equipment £	Motor Vehicles £	Total £
Cost						
As at 1 January 2016	**47,740**	**6,906,294**	**757,848**	**4,628**	**38,000**	**7,754,510**
Additions for the period	-	-	-	700	-	700
Additions from Business Combinations			486,680	147,148	149,003	782,831
As at 31 March 2016	**47,740**	**6,906,294**	**1,244,528**	**152,476**	**187,003**	**8,538,041**
Additions for the period	-	-	901,714	66,438	134,321	1,102,473
Additions from Business Combinations	-	-	530,580	68,668	487,123	1,086,371
Disposals for the period	-	-	(360,891)	(829)	(75,290)	(437,010)
As at 31 March 2017	**47,740**	**6,906,294**	**2,315,931**	**286,753**	**733,157**	**10,289,875**
Depreciation						
As at 1 January 2016	**47,740**	**6,906,294**	**756,999**	**2,896**	**38,000**	**7,751,929**
Charge for the period	-	-	398	325	-	723
As at 1 March 2016	**47,740**	**6,906,294**	**757,397**	**3,221**	**38,000**	**7,752,652**
Charge for the period	-	-	236,668	59,560	62,333	358,561
Disposals for the year			(179,974)	(823)	(5,288)	(186,085)
As at 31 March 2017	**47,740**	**6,906,294**	**814,091**	**61,958**	**95,045**	**7,925,127**
Net book value						
As at 1 January 2016	-	-	849	1,732	-	2,581
As at 31 March 2016	-	-	487,131	149,256	149,003	785,388
As at 31 March 2017	**-**	**-**	**1,502,840**	**224,795**	**638,112**	**2,364,747**

The net book value of the assets under lease arrangements at 31 March 2017 were £1,531,428 (31 March 2016: 440,806)

There is a fixed and floating charge over the fixed assets of the business in favour of the RBS invoice discounting facility.

11 Intangible assets

	Long term contracts and customer relationships £	Brand £	Goodwill £	Total £
Cost				
As at 1 January 2016	-	-	-	-
Additions for the period	611,804	785,833	1,322,697	2,720,334
As at 31 March 2016	**611,804**	**785,833**	**1,322,697**	**2,720,334**
Additions for the period	467,079	-	-	467,079
Additions on acquisition of subsidiary	2,436,062	187,000	4,226,757	6,849,819
As at 31 March 2017	**3,514,945**	**972,833**	**5,549,454**	**10,037,232**
Amortisation				
As at 1 January 2016	-	-	-	-
As at 31 March 2016	-	-	-	-
Amortisation charge for the period	(133,042)	(41,629)	-	(174,672)
As at 31 March 2017	**(133,042)**	**(41,629)**	**-**	**(174,672)**
Net book value				
As at 1 January 2016	-	-	-	-
As at 31 March 2016	**611,804**	**785,833**	**1,322,697**	**2,720,334**
As at 31 March 2017	**3,381,903**	**931,204**	**5,549,454**	**9,862,560**

Goodwill impairment

The group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows. The forecasts provided have been based on historic and expected cashflows. Operating margins have been based on past experience and future expectations in the light of anticipated economic and market conditions. Growth rates are set at 6% (2016: 6%). A pre-tax discount rate of 21% (2016: 21%) has been applied to pre-tax cash flows over 5 years.

The carrying amount of goodwill is allocated to the wood fuels cash generating unit (CGUs). No impairment has been identified.

12 Business combinations during the period

Midland Wood Fuels

On 8 August 2016, the Group completed on the acquisition of 100% of the share capital of Midlands Wood Fuels Limited ('MWF'), a wood fuel supplier, for cash consideration of £1,400,000. The acquisition was made to further strengthen the Group's position in the wood fuel market and was funded from the issue of £3.47m Convertible Loan Notes and the placing of 2,308,271 Ordinary Shares at 66.5 pence per Ordinary Share. As part of the acquisition £910,000 of shareholder loans held by the sellers of MWF were novated to Aggregated Micro Power Holdings plc before being exchanged for £910,000 of Convertible Loan Notes. The Group also repaid an existing loan of £135,299 between MWF and Funding Circle.

Notes to the Financial Statements continued

For the year ended 31 March 2017

12 Business combinations during the period continued

As at 8 August 2016 MWF had a net asset value of £639,713. These identifiable intangibles recognised have been assessed as part of a fair value exercise at a Group level and are therefore excluded from the opening book value in the table below. The Group has recognised the provisional fair values of identifiable assets and liabilities as follows:

	31 March 2017		
	Opening book value £	Fair value adjustment £	Closing fair value £
Intangibles	-	469,062	469,062
Tangible assets	865,646	-	865,646
Cash	49,112	-	49,112
Inventory	1,175,473	-	1,175,473
Receivables	444,779	-	444,779
Total Assets	**2,535,010**	**469,062**	**3,004,072**
Trade and other payables	765,571	-	765,571
Deferred tax liability	-	79,741	79,741
Non-Current liabilities	1,519,047	-	1,519,047
Total Liabilities	**2,284,618**	**79,741**	**2,364,359**
Net Assets	**250,392**	**389,321**	**639,713**
Fair value of consideration paid			**1,400,000**
Goodwill			**760,288**

Under IFRS 3 a fair value assessment of the Midlands Wood Fuels Limited ('MWF') balance sheet was performed at the acquisition date in line with the Business Combination accounting policy in note 1 to these financial statements.

The goodwill recognised will not be deductible for tax purposes.

The excess of consideration over net assets (book value) purchased has been assessed as part of a Purchase Price Allocation exercise and allocated to goodwill. The values of these intangibles and of the balance sheet acquired are provisional and within one year of the date of acquisition may be adjusted as a result of the finalisation of valuations.

The corresponding adjustment will be made to goodwill.

The discount rate on which management has based its valuation of the customer contracts and brands is 21%, which reflects management's best estimate of the discount rate which when applied to MWF's forecast EBITDA gives an NPV equal the total consideration paid.

It is impractical to disclose the contribution of this business combination to group revenues and profit since acquisition as the trading and assets of this business have been incorporated into the Forest Fuels cash generating unit (CGU) and has not been reported. Information on pre-acquisition trading is not available.

PEL (Fuel) Limited

On 19 December 2016, the Group completed on the acquisition of 100% of the share capital of PEL (Fuel) Limited, a premium grade wood pellet supplier, for a total consideration of £5,000,000 which comprised of the issue of £4.5m in new Ordinary Shares issued at a price of 68 pence per share and £0.5m in cash. There is no contingent or deferred consideration or debt assumed. The acquisition was made to further strengthen the Group's position in the wood fuel market.

Notes to the Financial Statements continued

For the year ended 31 March 2017

12 Business combinations during the period continued

As at 19 December 2016 PEL had a net asset value of £1,993,391. The Group has recognised the provisional fair values of identifiable assets and liabilities as follows:

	31 March 2017		
	Opening book value £	Fair value adjustment £	Closing fair value £
Intangibles	210,000	1,967,000	2,177,000
Tangible assets	150,781	-	150,781
Total Assets	**360,781**	**1,967,000**	**2,327,781**
Trade and other payables	-	-	-
Deferred Tax	-	334,390	334,390
Non-Current liabilities	-	-	-
Total Liabilities	**-**	**334,390**	**334,390**
Net Assets	**360,781**	**1,632,610**	**1,993,391**
Fair value of consideration paid			**5,000,000**
Goodwill			**3,006,609**

Under IFRS 3 a fair value assessment of the ''PEL" balance sheet was performed at the acquisition date in line with the Business Combination accounting policy in note 1 to these financial statements.

The goodwill recognised will not be deductible for tax purposes.

The excess of consideration over net assets (book value) purchased has been assessed as part of a Purchase Price Allocation exercise and allocated to goodwill. The values of these intangibles and of the balance sheet acquired are provisional and within one year of the date of acquisition may be adjusted as a result of the finalisation of valuations.

The corresponding adjustment will be made to goodwill.

The discount rate on which management has based its valuation of the customer contracts and brands is 10.8%, which reflects management's best estimate of the discount rate which when applied to PEL's forecast EBITDA gives an NPV equal the total consideration paid and payable including deferred consideration.

It is impractical to disclose the contribution of this business combination to group revenues and profit since acquisition as the trading and assets of this business have been incorporated into the Forest Fuels cash generating unit (CGU) and has not been reported.

Forest Fuels – business combination in the comparative period

On 30 March 2016, the AMP PLC acquired 100% of the share capital in Forest Fuels Holdings Limited a wood fuel supply Group and its subsidiary entities ('Forest Fuels'). The principal reason for this acquisition was to enter the UK wood fuel market with a view to utilising product for existing and future biomass heating projects.

The consideration consists of an initial consideration of £2,965,000 and a deferred contingent consideration of up to 2,500,000 Ordinary Shares in performance-related deferred consideration, of which 1,000,000 Ordinary Shares are linked to the same TSR conditions set out below in note 24 and 1,500,000 Ordinary Shares are linked to the average EBITDA of Forest Fuels in the two financial periods ending (i) 31 December 2016 and 31 December 2017; and, (ii) 31 December 2017 and 31 December 2018, see note 24 for details and valuations of the contingent consideration.

Notes to the Financial Statements continued

For the year ended 31 March 2017

12 Business combinations during the period continued

As at 31 March 2016 Forest Fuels had a net asset value of £1,642,303. These intangibles have been assessed as part of a fair value exercise at a Group level and are therefore excluded from the opening book value in the table below. The Group has recognised the fair values of identifiable assets and liabilities as follows:

	31 March 2016		
	Opening book value £	Fair value adjustment £	Closing fair value £
Intangibles	-	1,397,637	1,397,637
Tangible assets	782,831	-	782,831
Cash	154,112	-	154,112
Inventory	1,180,007	-	1,180,007
Receivables	2,166,601	-	2,166,601
Total Assets	**4,283,552**	**1,397,637**	**5,681,188**
Trade and other payables	3,525,773	-	3,525,773
Deferred tax liability	-	307,977	307,977
Non-Current liabilities	205,135	-	205,135
Total Liabilities	**3,730,908**	**307,977**	**4,038,885**
Net Assets	**552,643**	**1,089,660**	**1,642,303**
Fair value of consideration paid			**2,965,000**
Goodwill			**1,322,697**

Under IFRS 3 a fair value assessment of the Forest Fuels balance sheet was performed at the acquisition date in line with the Business Combination accounting policy in note 1 to these financial statements.

The goodwill recognised will not be deductible for tax purposes.

Forest Fuels did not contribute to group revenues and profit due to the fact this was acquired on the 30 March 2016 and the effect of 1 day of trading would not be material to the group. If the acquisition had occurred on the 1 January 2016 the group revenue would have been £3,112,311 and the group profit before tax of £33,885 for the period to the 31 March 2016.

The excess of consideration over net assets (book value) purchased has been assessed as part of a Purchase Price Allocation exercise and allocated to goodwill. The values of these intangibles and of the balance sheet acquired have been finalised, and there were no changes to the provisional accounting for the business combination presented in the comparative period audited financial statements.

The discount rate on which management has based its valuation of the customer contracts and brands is 21%, which reflects management's best estimate of the discount rate which when applied to Forest Fuels' forecast EBITDA gives an NPV equal the total consideration paid and payable including deferred consideration.

Notes to the Financial Statements continued

For the year ended 31 March 2017

13 Inventories

	Year ended 31 March 2017 £	Period ended 31 March 2016 £
Raw materials and consumables	2,444,838	1,150,711
Maintenance and consultancy work in progress	-	32,104
Development projects work in progress	107,246	50,000
Biomass boilers work in progress	56,934	24,965
	2,609,018	**1,257,780**

There has been no write down of inventory in the period to 31 March 2017 (year ended 31 March 2016: Nil).

14 Trade and other receivables

	Year ended 31 March 2017 £	Period ended 31 March 2016 £
Trade receivables*	8,993,950	2,090,409
Other receivables	564,688	2,217,726
VAT receivables	-	19,398
Prepayments	79,361	174,162
Accrued income	1,109,769	219,590
	10,747,768	**4,721,285**

* As at 31 March 2017, a bad debt provision of £73,000 (31 March 2016: £36,784) was recognised.

15 Cash and cash equivalents

	Year ended 31 March 2017 £	Period ended 31 March 2016 £
Cash at bank and hand	818,966	801,871
	818,966	**801,871**

16 Trade and other payables

	Year ended 31 March 2017 £	Period ended 31 March 2016 £
Trade payables	3,722,869	2,264,625
Accruals	178,271	78,663
Other payables	3,564,742	1,539,101
VAT payables	538,197	-
Employment tax and social security	48,431	51,658
	8,052,510	**3,934,047**

The fair value of trade and other payables are not materially different to their carrying value.

Notes to the Financial Statements continued

For the year ended 31 March 2017

17 Loans and borrowings

Current liabilities

	Year ended 31 March 2017 £	Period ended 31 March 2016 £
Other loan – finance lease	494,412	90,024
	494,412	**90,024**

Financial liabilities

	Year ended 31 March 2017 £	Period ended 31 March 2016 £
Convertible Loan Notes	8,548,161	3,319,452
Other loan – finance lease	722,797	135,369
	9,270,958	**3,454,821**

On 8 August 2016, the Group issued Convertible Loan Notes of £3.47m (of which £1.4m was cash proceeds). The Convertible Loan Notes were issued at a coupon rate of 8% and the conversion price applicable to the Notes is £0.86. Should full conversion take place, 4,034,884 shares will be issued.

On 20 December 2016, the Group issued Convertible Loan Notes of £2.47m (of which £2.47m was cash proceeds). The Convertible Loan Notes were issued at a coupon rate of 8% and the conversion price applicable to the Notes is £0.86. Should full conversion take place, 2,172,500 shares will be issued.

In the previous period, the Group issued Convertible Loan Notes of £4.07m (of which £2.83m was cash proceeds). The Convertible Loan Notes were issued at a coupon rate of 8% and the conversion price applicable to the Notes is £0.70. Should full conversion take place, 5,818,571 shares will be issued.

The liability and equity elements of the various Loan Notes were determined at the date the instrument was issued. The fair value of the liability, included in non-current borrowings, was calculated using a market interest rate for an equivalent instrument without a conversion feature.

The Convertible Loan Notes redeem at par, and if not previously converted, are repayable on 30 March 2021.

18 Share capital

31 March 2016

	No of shares (Authorised/ Issued) Nos.	Issued capital £	Share premium £
Ordinary shares of £0.005 each			
As at 1 January 2016	25,694,502	128,473	9,484,658
Issued during the period	3,190,000	15,950	1,706,650
Share issues expenses	-	-	(122,108)
As at 31 March 2016	**28,884,502**	**144,423**	**11,069,200**

Notes to the Financial Statements continued

For the year ended 31 March 2017

18 Share capital continued

31 March 2017

	No of shares Nos.	Issued capital £	Share premium £	Other reserves £
Ordinary shares of £0.005 each				
As at 31 March 2016	28,884,502	144,423	11,069,200	4,546,180
Issued during the period	8,925,919	44,629	1,490,370	-
Issued as consideration as part of business combination	6,617,647	-	-	4,500,000
Share issues expenses	-	-	(39,954)	
As at 31 March 2017	**44,428,068**	**189,052**	**12,519,616**	**9,046,180**

19 Subsidiaries

As at 31 March 2017, the Company had the following principal subsidiaries:

	Principal activity	Country of incorporation	Percentage of ordinary shares held 2017	Percentage of ordinary shares held 2016
Aggregated Micro Power Limited	Holding company	England and Wales	100%	100%
Mathieson Biomass Limited	Non-trading	England and Wales	100%	100%
AMP Low Plains Limited *	Power and heat generation	England and Wales	100%	100%
AMP Energy Services Limited *	Development of renewable energy projects and services	England and Wales	100%	100%
Sterivert Limited *	Non-trading	England and Wales	100%	100%
Midlands Wood Fuel Limited	Non-trading	England and Wales	100%	0%
PEL (Fuels) Limited	Non-trading	England and Wales	100%	0%
Forest Fuels Holdings Limited	Holding company	England and Wales	100%	100%
Forest Fuels Limited*	Wood fuels	England and Wales	100%	100%
Lakes Biomass Limited*	Non-trading	England and Wales	100%	100%
Forest Fuels Boiler Company Limited *	Non-trading	England and Wales	100%	0%
AMP Hull Reserve Power Limited (previously known as AMP Kingsnorth Limited)	Project development Dormant	England and Wales	100%	100%
Salt End Power Limited*	Dormant	England and Wales	100%	0%
Cribyn DDU Farm Solarfield Limited	Dormant	England and Wales	100%	0%
Green Meadow Farm Solarfield Limited	Dormant	England and Wales	100%	0%
Sulhamstead Solarfield Limited	Dormant	England and Wales	100%	0%
Cairnhill Solarfield No2 Limited	Dormant	England and Wales	100%	0%
Lower House Farm Solarfield Limited	Dormant	England and Wales	100%	0%
Angrove House Solarfield Limited	Dormant	England and Wales	100%	0%
English Wood Fuels Limited *	Dormant	England and Wales	100%	100%
Silvapower Limited *	Dormant	England and Wales	100%	100%
North West Wood Fuels Limited *	Dormant	England and Wales	100%	100%
Anglia Biofuels Limited *	Dormant	England and Wales	100%	100%

* Held indirectly

The registered address of all subsidiaries is 5 Clifford Street, London, England, W1S 2LG.

Notes to the Financial Statements continued

For the year ended 31 March 2017

20 Associates

The following entities have been included in the consolidated financial statements using the equity method:

Name of associate	Principal activity	Place of incorporation	Proportion of ownership rights held by the Group 31 March 2017
Incubex LLC	Design and promotion of financial products in environmental, energy, power and weather markets	USA	28.8%

a) Summarised financial information (material associates)

Incubex LLC	31 March 2017
As at 31 March 2017	
Current Assets	**$2,531,139**
Non-current assets	-
Current Liabilities	**$179,874**
Non-current liabilities	-
Period ending 31 March 2017	
Revenues	-
Profit from continuing operations	-
Other comprehensive income	-
Total comprehensive income	-
Dividends received from associate	-

b) Reconciliation of investment in associate at fair value through profit or loss

	Year ended 31 March 2017 £
Opening	-
Additions	498,659
Gain of fair value through profit or loss	1,879,044
Closing	2,377,703

During the year the Group invested in Incubex, LLC. The Group paid a par value of $0.001 per share for Class A shares, and paid $7.50 per share for Class B shares. A gain on fair value through profit or loss has been recognised on initial recognition of the Class A shares based on valuation techniques detailed in Note 21.

21 Financial instruments

Risk Management

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Liquidity risk
- Market price risk

Notes to the Financial Statements continued

For the year ended 31 March 2017

21 Financial instruments continued

In common with all other businesses, the Group is exposed to risks that arise from its use of 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
- Investment in associate – financial asset at fair value through profit or loss
- Trade and other payables
- Loans and borrowings
- Deferred contingent consideration

	Loans and receivables		Fair value through profit or loss	
	31 March 2017 £	31 March 2016 £	31 March 2017 £	31 March 2016 £
Current financial assets				
Trade receivables	8,993,950	2,090,409	-	-
Cash and cash equivalents	818,966	801,871	-	-
Other receivables	1,674,457	2,437,316	-	-
Non-current financial assets				
Investment in associate	-	-	2,377,703	-
	11,487,373	**5,329,596**	**2,377,703**	**-**

	Financial liabilities measured at amortised cost		Financial liabilities at fair value through profit and loss	
	31 March 2017 £	31 March 2016 £	31 March 2017 £	31 March 2016 £
Current financial liabilities				
Trade Payables	3,722,869	2,264,625	-	-
Accruals and Other Payables	3,743,013	1,617,764	-	-
Obligation under finance lease	494,412	90,024	-	-
	7,960,294	**3,972,413**	**-**	**-**

	31 March 2017 £	31 March 2016 £	31 March 2017 £	31 March 2016 £
Non-current financial liabilities				
Deferred contingent consideration	-	-	8,218	8,218
Obligation under finance lease	722,797	135,369	-	-
Loans	8,556,937	3,319,452	-	-
	9.279,734	**3,454,821**	**8,218**	**8,218**

Financial instruments not measured at fair value includes cash and cash equivalents, trade and other receivables, trade and other payables, and loans and borrowings.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables and loans and borrowings approximates their fair value.

Notes to the Financial Statements continued

For the year ended 31 March 2017

21 Financial instruments continued

Financial instruments measured at fair value

Financial assets

Quantitative information on significant unobservable inputs – Level 3

The fair value of the Level 3 investment in associate has been determined with reference to unobservable inputs, including share price of $7.50.

Sensitivity analysis to significant changes in unobservable inputs – Level 3

A +/-10% change in the share price input has a £0.2m effect on the fair value of the investment in associate recognised at fair value through profit or loss.

Level 3 reconciliation

The only movement in the fair value of items categorised with Level 3 between the beginning and end of the reporting period was due to the recognition at fair value through profit or loss of the investment in associate. A gain of £1.8m has been recognised through profit or loss.

Financial liabilities

The Group's only has financial liabilities measured at fair value is the deferred contingent consideration, details of the method for valuing deferred consideration is included in note 25. Given the immaterial value of the deferred contingent consideration currently recognised, any sensitivity analysis on the balance would result in a highly immaterial increase or decrease to the balance.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment it has entered into with the Group. The Group is mainly exposed to credit risk from credit sales. At 31 March 2017 the Group had trade receivables of £8,993,950 (2016: £2,090,409).

The Group attempts to mitigate credit risk by assessing the credit rating of new customers prior to entering into contracts and by entering into contracts with customers with agreed credit terms as well as monitoring the trade receivables balances outstanding regularly and at the reporting date do not expect any losses from non-performance by counterparties. Credit risk also arises from cash and cash equivalents with amounts held by banks. At the reporting date the Group's financial assets exposed to credit risk are as follows:

	31 March 2017 £	31 March 2016 £
Cash balances	818,966	801,871
Trade and other receivables	10,747,768	4,721,285
	11,566,734	**5,523,156**

The Directors are unaware of any factors affecting the recoverability of outstanding balances at 31 March 2017 and 31 March 2016 and consequently no further provisions have been made for bad and doubtful debts.

Trade and other receivables are measured initially at fair value and thereafter at amortised cost. Book values and expected cash flows are reviewed by the Board and any impairment charged to the consolidated statement of comprehensive income in the relevant period.

Cash and cash equivalents are held in Pound Sterling and placed on deposit in UK banks. Trade and other payables are measured at fair value and amortised cost.

To the extent financial instruments are not carried at fair value in the consolidated statement of financial position, book value approximates to fair value at 31 March 2016 and 31 March 2017.

Notes to the Financial Statements continued

For the year ended 31 March 2017

21 Financial instruments continued

Liquidity risk

Liquidity risk arises from the management of working capital and the finance charges and principal repayments on its debt instruments.

Management's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. Management also prepares 12 month cash flow projections as well as information regarding cash balances on a daily basis. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Period ended 31 March 2017

	On demand £	Less than 3 months £	3 to 12 months £	Between 1 and 2 years £	Between 2 and 5 years £	Over 5 Years £
Trade Payables	-	3,722,869	-	-	-	-
Accruals and other payables	-	3,743,013	-	-	-	-
Obligation under finance lease	-	-	494,412	394,950	635,724	13,823
Loans and borrowings	-	-	-	-	10,001,000	-
Interest cost on finance lease	4,249	14,498	58,665	113,351	54,126	-
Interest costs on loans and borrowings	-	200,020	600,060	800,080	800,080	-
	4,249	**7,680,400**	**1,153,137**	**1,308,380**	**11,490,930**	**13,823**

Period ended 31 March 2016

	On demand £	Less than 3 months £	3 to 12 months £	Between 1 and 2 years £	Between 2 and 5 years £	Over 5 Years £
Trade Payables	-	2,264,625	-	-	-	-
Accruals and other payables	-	1,617,764	-	-	-	-
Obligation under finance lease	-	-	90,024	49,069	64,827	21,472
Loans and borrowings	-	-	-	-	4,070,000	-
Interest cost on finance lease	-	5,527	12,101	8,459	6,796	1,037
Interest costs on loans and borrowings	-	81,250	243,750	325,000	975,000	-
	-	**3,969,166**	**345,875**	**382,528**	**5,116,623**	**22,509**

Capital Management

The Group's capital is made up of share capital, share premium, capital contribution, convertible debt reserve as noted in the Statement of Changes in Equity and loans as described in note 18.

The Group's objectives when maintaining capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Group consists of shareholders' equity as set out in the Consolidated Statement of Changes in Equity. All working capital requirements are financed from existing cash resources and issued convertible loan notes. As a result of the issue of convertible loan notes worth £5.97m in the period to 31 March 2017, the Group will continue to monitor its net debt to equity ratio and look to ensure that the business has sufficient capital and liquidity to meet required interest and principal repayments.

Notes to the Financial Statements continued

For the year ended 31 March 2017

22 Operating lease payments

	Year ended 31 March 2017 £	Period ended 31 March 2016 £
Not more than one year	140,610	267,490
Later than one year and not later than five years	26,932	481,610
Later than five years	-	1,474,941
	167,542	**2,224,041**

23 Financial lease payments

	Year ended 31 March 2017 £	Period ended 31 March 2016 £
Not more than one year	494,412	90,024
Later than one year and not later than five years	1,030,674	113,896
Later than five years	13,823	21,472
	1,538,909	**225,393**

24 Related party transactions

Richard Burrell, Chief Executive Officer of the Group, has a significant interest in Mathieson Capital Investment Management Limited to which the Group paid a fee of £102,500 (2016: £25,625) for the provision of strategic advice and other services. The Group also rents its office in Tattenhall Chester from Mathieson Capital Investment Management Limited at a cost of £36,600 (2016: £8,800) per year. Mathieson Capital Fund Management LLP, an entity owned by Richard Burrell, holds 30,000 shares in the Group. Richard Burrell holds £400,000 CLN nominal of Convertible Notes as at 31 March 2017 (2016: Nil).

Neil Eckert owns £795,000 nominal of Convertible Notes as at 31 March 2017 (2016: £795,000) following the acquisition of Forest Fuels. The Group paid interest on these Loan Notes of £54,000 (2016: Nil) For more information on the CLN issue please see note 17.

The Group has a deferred contingent consideration agreement in place with Neil Eckert and Mathieson Capital LLP's (an entity controlled by Richard Burrell). The derived contingent value of all 3,999,999 options has been calculated at £5,404 (2016: £5,404), of which £3,621 (2016: £3,621) is allocated to Neil Eckert and £1,783 (2016: £1,783) to Mathieson Capital LLP. More details can be found in note 24.

Sir Laurence Magnus, Non Executive Director of the Group, owns £61,250 nominal of Convertible Notes as at 31 March 2017 (2016: £46,250) following the acquisition of Forest Fuels.

Sir Brian Williamson, Non Executive Director of the Group, owns £20,000 nominal of Convertible Notes as at 31 March 2017 (2016: £20,000) following the acquisition of Forest Fuels.

Robert Bland DL, Non Executive Director of the Group, owns 300,000 nominal of Convertible Notes as at 31 March 2017 (2016: Nil) following the acquisition of Midland Woodfuels.

25 Deferred contingent consideration and employee options

AMP Energy Services and Mathieson Biomass

The final terms of the deferred consideration, which relates to the Group's acquisition of AMP Energy Services Limited (formerly Environova Consulting Limited) and Mathieson Biomass Limited, were amended and agreed on the 25 June 2014 ("Valuation Date"). The deferred consideration is subject to performance criteria linked to Total Shareholder Returns ("TSR") over the period 30 June 2014 through to 31 December 2020 ("Performance Period").

The vesting criteria are as follows:

- Annualised TSR is greater than 12% over the Performance Period; all shares vest;
- Annualised TSR is less than 8% over the Performance Period; no shares vest;
- Annualised TSR is between 8% and 12% over the Performance Period; a pro rata proportion of shares vest; and,
- At any time during the Performance Period annualised TSR exceeds 15%, all shares vest immediately.

A Monte Carlo Simulation model was used to determine the fair value of the deferred consideration as at the Valuation Date. Inputs to the model include the market price of the call options at the Valuation date, the exercise price, the assumed volatility of the share price, the current level of risk free rates of return, the dividend yield and the expected exit date. The biggest driver of value in the model is the assumed volatility rate, which was derived by applying a weighting to volatility rates observed from a portfolio of publicly traded companies in the renewable energy and power generation sectors and from the Group's share price since admission on AIM.

The Group conducted an independent valuation of Neil Eckert's and Mathieson Capital LLP's (an entity controlled by Richard Burrell) deferred contingent consideration which could lead to a maximum of 3,999,999 Ordinary Shares, or 2,666,666 and 1,333,333 Ordinary Shares respectively being issued. The valuation was conducted in accordance with the principles set out in IFRS 3.

The derived contingent value of all 3,999,999 options has been calculated at £5,404 allocated £3,621 to Neil Eckert and £1,783 to Mathieson Capital LLP. The valuation was based on an assumed volatility of 25% (2016: 20%) which is in line with the observed volatility of other traded companies in the Group's sector peer group and is higher than the volatility seen in the Group's share price since admission to AIM.

The deferred consideration remains in the balance sheet at £8,218 (2016: £8,218).

Forest Fuels

On 30 March 2016, the Company entered into an acquisition agreement for the purchase of Forest Fuels Holdings Limited and its controlled entities. This agreement also included a deferred consideration element based on the same TSR performance measures as noted above. The maximum number of shares which could vest is 1,000,000.

A further Monte Carlo Simulation model was used to determine the fair value of the deferred consideration based on the terms of the AMP Energy Services Limited and Mathieson Biomass Limited model. The derived contingent value of all the 1,000,000 options has been calculated at £1,644 (2016: £1,644).

The Forest Fuels agreement included a further deferred consideration element based on EBTIDA performance measures in the years to 31 December 2016, 31 December 2017 and 31 December 2018. The maximum number of shares which could vest is 1,500,000 and this will depend on future EBITDA in 2017 and 2018. Accordingly, no value has been ascribed.

In addition to the deferred consideration, 600,000 share options issued under the Group's EMI plan are outstanding at 31 March 2017. The options are subject to the same TSR criteria as the deferred consideration and are subject to strike prices between £0.54 and £1.00 and therefore are expected to have an immaterial contingent value as at 31 March 2017.

Notes to the Financial Statements continued

For the year ended 31 March 2017

26 Loss per share

	Year ended 31 March 2017 £	Period ended 31 March 2016 £
Profit/(Loss) attributable to equity holders of the company	**1,027,849**	**(353,455)**
Weighted average number of shares	32,195,510	26,500,766
Continuing operations basic (Pence)	**3.19**	**(1.33)**

The basic earnings per share have been calculated using the profit/(loss) attributable to shareholders of the parent company, Aggregated Micro Power Holdings plc. The basic and dilutive profit/(loss) per share are the same.

27 Events after the reporting period

Highland Wood Energy Investment

On 28 June 2017, AMP announced that it has subscribed £500,000 for new Ordinary Shares in Highland Wood Energy Limited equating to 50.1% of the enlarged business. This was undertaken as part of Group's strategy of acquiring wood fuels and biomass providers.

The Directors consider it impracticable to the disclose any financial effects that may be required under IFRS 3 Business Combinations due to this agreement being signed on the same day as the consolidated financial statements.

Company Statement of Financial Position

For the year ended 31 March 2017

	Note	31 March 2017 £	31 March 2016 £
Fixed assets			
Investments in subsidiaries	31	9,196,103	3,020,004
Investments in associate		2,402,945	-
Total non-current assets		**11,599,048**	**3,020,004**
Current assets			
Debtors: Amounts falling due within one year	33	9,209,306	2,690,031
Cash		125,087	524,459
Total current assets		**9,334,393**	**3,214,490**
Current liabilities			
Trade and other creditors	34	80,751	214,212
Total current liabilities		**80,751**	**214,212**
Total assets less current liabilities		**20,852,690**	**6,020,282**
Non-current liabilities			
Loans and borrowings	17	8,696,155	3,319,452
Total non-current liabilities		**8,696,155**	**3,319,452**
Total liabilities		**8,776,906**	**3,533,664**
Net current assets		**9,253,642**	**3,000,278**
Net assets		**12,156,535**	**2,700,830**
Equity attributable to equity holders of the company			
Paid up share capital	18	189,052	144,423
Share premium account	18	12,519,616	11,069,200
Other reserve		9,046,180	4,546,180
Convertible debt option reserve		1,453,683	559,278
Retained earnings		(11,051,996)	(13,618,251)
Total equity		**12,156,535**	**2,700,830**

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the company is not presented as part of these financial statements. The company's total comprehensive loss for the financial year was £1,107,143 (2016: £258,588). The company financial statements were authorised for issue by the board of Directors on 28 June 2017 by:

Richard Burrell, Chief Executive Officer

The notes on pages 53 to 55 form part of these company financial statements.

Company Statement of Changes in Equity

For the year ended 31 March 2017

Period ended 31 March 2016	Share capital £	Share premium £	Other Reserve £	Convertible debt option reserve £	Retained earnings £	Total £
Equity as at 1 January 2016	128,473	9,484,658	4,546,180	-	(13,876,839)	282,472
Loss for the period	-	-	-	-	258,588	258,588
Total comprehensive expenses	-	-	-	-	258,588	258,588
Issue of share capital	15,950	1,706,650	-	-	-	1,722,600
Share issue cost	-	(122,108)	-	-	-	(122,108)
Equity element of convertible loan notes	-	-	-	587,399	-	587,399
Share issue cost				(28,120)	-	(28,120)
Equity as at 31 March 2016	**144,423**	**11,069,200**	**4,546,180**	**559,279**	**(13,618,251)**	**2,700,830**

Year ended 31 March 2017	Share capital £	Share premium £	Other Reserve £	Convertible debt option reserve £	Retained earnings £	Total £
Equity as at 1 April 2016	144,423	11,069,200	4,546,180	559,279	(13,618,251)	2,700,830
Profit for the period	-	-	-	-	2,566,337	2,566,337
Total comprehensive income	-	-	-	-	2,566,255	2,566,337
Issue of share capital	44,629	1,490,370	4,500,000	-	-	6,034,999
Share issue cost	-	(39,954)	-	-	-	(39,954)
Equity element of convertible loan notes	-	-	-	894,324	-	894,324
Share issue costs	-	-	-	-	-	-
Equity as at 31 March 2017	**189,052**	**12,519,616**	**9,046,180**	**1,453,683**	**(11,051,996)**	**12,156,535**

Share capital: Nominal value of shares issued.

Share premium: Amount subscribed for share capital in excess of the nominal value.

Retained earnings: All other net profits and transactions with owners (e.g. dividends) not recognised elsewhere.

Other reserve: Amount raised through the use of a cashbox structure and applying merger relief on business combination where the consideration for shares in another company includes issued shares and on completion of the transaction, the company issuing the shares will have secured at least a 90% equity holding in the other company.

Convertible debt option reserve: Amount recorded as equity on the initial fair value measurement of issued convertible loan notes.

The notes on pages 53 to 55 form part of these company financial statements.

Notes to the Company Financial Statements

For the year ended 31 March 2017

28 Accounting policies

The financial statements of the company for the year ended 31 March 2017 have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland issued by the Financial Reporting Council.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 2).

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available under FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliation for the group and the parent company would be identical;
- No cash flow statement has been presented for the parent company; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

Investments in associate undertakings

Investments in associate undertakings are initially recognised in the statement of financial position at fair value. After initial measurement, the Company measures its financial instruments which are classified as at FVPL, at fair value.

Investments in subsidiary undertakings

Investments by the company in the shares of subsidiary undertakings are stated at cost less any provision, where in the opinion of the Directors, there has been a permanent impairment in the value of any such investment. Contingent consideration is recognised when it is probable it will be paid.

Deferred tax

Deferred tax is recognised on all timing differences where the transaction or events that give rise to an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the consolidated statement of financial position date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the consolidated statement of financial position date.

Financial assets

Financial assets, other than investments are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Notes to the Company Financial Statements continued

For the year ended 31 March 2017

28 Accounting policies continued

Convertible debt

The proceeds received from the issue of the convertible debt are allocated between their financial liability and equity components. The financial liability is initially recognised at fair value (being the discounted cash flows using a market rate of interest that would be payable on a similar instrument that does not include an option to convert). Subsequently, the financial liability is measured at amortised cost.

The equity component is assigned to the residual amount after deducting this fair value liability from the fair value of the financial instrument as a whole. It is recognised in the 'Convertible debt option reserve' within shareholders' equity, net of income tax effects. More information is provided in note 20.

29 Employees

The company had no direct employees, other than the Directors, in the period to 31 March 2017. No costs of employment were recharged to the company in the period to 31 March 2017.

30 Directors

Details of the remuneration of the company's Directors are outlined in Note 7 of the Group's financial statements and the director's report. 4 non-executive Directors were remunerated (Total: £62,500) from the company in year ended March 2017. The executive Directors are employed and paid out of AMP Energy Services Limited, which is a wholly owned subsidiary of the company. The non-executive Directors are paid directly by the company.

Key management personnel are all the Directors of the company.

31 Investments

	Year ended 31 March 2017 £	Period ended 31 March 2016 £
Cost at 1 January 2016	3,020,004	55,004
Additions	6,176,099	2,965,000
Cost at 31 March 2017	**9,196,103**	**3,020,004**

32 Principal subsidiary undertakings

The principal subsidiary undertakings of the company are disclosed in Note 19 of the Group statements. Their activities are described in the strategic report.

33 Debtors

	Year ended 31 March 2017 £	Period ended 31 March 2016 £
Debtors: Amounts falling due within one year		
Prepayments	19,097	26,589
Other debtors – unpaid share capital	31,091	1,787,582
Amounts owed by group undertakings	9,159,117	875,860
	9,209,306	**2,690,031**

Interest on the intercompany debt is charged at 12% per annum and is repayable on demand with a final redemption date of 2023.

Notes to the Company Financial Statements continued

For the year ended 31 March 2017

34 Creditors: amounts falling within one year

	Year ended 31 March 2017 £	Period ended 31 March 2016 £
Trade creditors due within 1 year	10,379	11,889
Accruals	70,372	202,323
	80,751	**214,212**

35 Financial instruments

	Loans and receivables	
Current financial assets	**31 March 2017 £**	**31 March 2016 £**
Debtors	4,371	2,690,031
Cash	125,087	524,459
Other receivables	9,178,215	-
	9,307,673	**3,214,490**

	Financial liabilities measured at amortised cost	
Current financial liabilities	**31 March 2017 £**	**31 March 2016 £**
Creditors	80,751	214,212
	80,751	**214,212**

Non Current financial liabilities	**31 March 2017 £**	**31 March 2016 £**
Loans and borrowings	8,696,155	3,319,452
	8,696,155	**3,319,452**

Financial instruments not measured at fair value includes cash, debtors, creditors, and loans and borrowings.

Due to their short-term nature, the carrying value of cash, debtors, creditors, and loans and borrowings approximates their fair value.

36 Financial and capital commitments

The company had no financial or capital commitments at 31 March 2017.

Shareholder Notes

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MICRO POWER

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