Audited Report and Financial Statements

For the year ended 31 December 2014

aggregated micro power

DEVELOPMENT | FUNDING | INSTALLATION | MANAGEMENT

Contents

Directors and Advisers

Directors	Neil Eckert Richard Burrell Mark Tarry Sir Laurence Magnus Sir Brian Williamson The Rt. Hon. Sir Nicholas Soames
Company Secretary	Lauren Paton
Registered Number	8372177
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	Barclays Bank Plc 1 Churchill Place London E14 5HP

Chairman's Statement

This is our inaugural Report and Accounts since becoming an AIM listed company. It has been a period of frenetic activity in terms of delivering on our business objectives and this is detailed in the Strategic Report. I would like to thank our shareholders, management and staff for their continued commitment and hard work.

The regulatory and economic background has produced some surprises. Small-scale biomass continues to receive strong support through the Renewable Heat Incentive and this is a market which is growing in size and maturity each year. The recent regulations regarding fuel quality have helped to stimulate the market for forced dried wood chip and AMP's strategy which is focussed on using surplus heat at its Combined Heat and Power (CHP) plants to dry wood chip for onward sale will provide us with a significant capability to sell high quality wood chip into the growing biomass boiler market. Whilst at the time of our IPO no one would have forecast today's low oil price, we have not seen any decline in biomass boiler sales and our pipeline for Energy Service Company ("ESCO") contracts remains robust.

We have continued to invest in our plant at Low Plains and whilst we have prudently reduced the carrying value of this asset in the consolidated statement of financial position we expect good growth in operating cash flow during 2015. We intend to expand Low Plains in 2015 and we have recently installed two additional smaller-scale CHP systems on the site.

We have now received planning approval on our future CHP sites in Kent and Devon. We intend to commence construction at both sites in the next 12 months. Looking beyond 2015, we have secured a significant position in two large scale biomass CHP developments in Immingham and Hull and both these schemes have planning and grid connection offers. With a strong pipeline, our future success will depend upon our ability to attract further capital to enable schemes to reach financial close, begin construction and ultimately to be refinanced, post commissioning.

We are now getting into the execution phase of our business plan as outlined at the time of the IPO and I look forward to reporting further progress over time.

Neil Eckert, Executive Chairman

22 May 2015

Strategic Report

Following the successful admission to AIM in July 2014 raising £9.5m from new and existing investors, we are pleased to present our inaugural Report and Accounts for the twelve months ending 31 December 2014.

AMP Group strategy

The AMP Group was established to develop, own and operate renewable energy generating facilities. The AMP Group's strategy is to develop and operate projects using small-scale technologies for converting biomass to energy and to sell the energy produced in the form of electricity, heat and wood fuel.

The AMP Group's preferred technology for generating electricity from wood fuel involves a process of gasification, in which wood is converted into syngas by the application of heat in a low oxygen environment. The engine, as well as producing electricity, generates waste heat which can be captured and used commercially to dry the wood fuel, firstly, needed as feedstock for gasification, and secondly, for sale in the open market or into the portfolio of biomass boilers operated and managed by AMP. The AMP Group's use of excess heat to dry wood chip for onward sale provides a natural hedge to adverse movements in feedstock prices, as increases in feedstock prices can potentially be offset by increases in wood chip prices.

The AMP Group intends to replicate its strategy at new locations and to refinance its projects once they have been commissioned. This will enable the AMP Group to recycle capital in order to develop further projects. The Company may also pursue and prioritise other opportunities where it is commercially advantageous to do so.

AMP seeks to recognise the value of its projects held directly at fair value in accordance with IAS 39.9. Henceforth, changes in fair value will be booked as an unrealised profit or loss in the Company's own unconsolidated accounts. Quarterly valuations are expected to be based on a discounted cash flow analysis of each project's future cash flow and will be validated at the time of a project's commissioning and at year end by an independent third party acceptable to the Company's auditors.

In addition, the Directors anticipate that the AMP Group will sell its smaller scale biomass boiler and CHP projects following financial close, to Aggregated Micro Power Infrastructure Limited ('AMPIL') or other third parties and aim to earn development fees, a margin on the management of the plant, revenues from the supply of fuel and a deferred payment in the relevant project.

Results

The Group made a loss before tax of £3,194,465, adjusted for non cash items and one off charges, e.g. the impairment and deferred consideration charges, tax credits and the loss on the disposal of AMP Heat Limited, which was broadly in line with management's expectations. The total loss before tax of £6,038,730 includes a provision for the deferred consideration shares which may or may not be issued, subject to certain hurdles being met, as well as a £2,224,661 impairment charge at Low Plains. Turnover was lower than predicted, mainly due to unforeseen downtime in October and December at Low Plains but the impact on profitability was partially offset by lower depreciation charges.

Our intention is to build on the operational platform we have built at Low Plains, bolting-on new revenue lines in the form of additional electricity generation and wood chip drying capacity to enable us to reverse the impairment charge in future years.

Progress following the AMP IPO in July 2014

AMP has continued to invest in its 1.0MW plant at Low Plains in Cumbria which has involved capital investment in new wood chip drying floors for third party chip sales as well as a number of further upgrades and improvements as part of the commissioning process for the main plant. Whilst these additional works have taken longer than anticipated, resulting in down time at the plant during recent months, the plant is now commissioned post year end and we are now in the phase of operational stabilisation and improvement in order to produce high and consistent energy outputs for the remainder of 2015.

Strategic Report continued

In December, we purchased a small scale 45kW CHP unit from Germany and in January 2015 we purchased a similar 40kW unit from Finland, with the intention of providing additional heat to the drying floors as well as electricity for the parasitic load at Low Plains. Both systems are now installed and commissioned. These smaller units are expected to have shorter commissioning periods and a higher return on investment compared with larger CHP systems.

We have now received planning approval for our next gasification development sites in Kent and Devon. We intend to commence construction on these two projects in the next 12 months.

During the financial year 2014, AMP has installed seven biomass boilers supplying heat to three schools, a care home, a rural business park and two biomass boilers at a Champneys health spa resort. Five of these systems are fully commissioned and have been sold to AMPIL and development fees have been earned by AMP. AMPIL is a special purpose vehicle which is wholly owned by Law Debenture for general charitable purposes and is funded via the issuance of listed loan notes. AMP will continue to manage the boiler projects on behalf of AMPIL under the terms of a commercial agreement. The remaining two boilers installed at Champneys have been commissioned in 2015 and have been sold to AMPIL in the financial year 2015.

AMP has also secured a significant development interest in two large scale biomass CHP developments in Immingham and Hull on two port-side locations that will be leased from Associated British Ports. Both these schemes have secured planning permission and grid connection offers for 49.0MW and 49.9MW respectively. Over the next twelve months, 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. Both projects are unlikely to be commissioned until 2018 at the earliest.

Future Financing

AMP requires further capital to develop out its substantial pipeline of future projects as well as to invest in sites currently operated by Forest Fuels, pursuant to our proposed strategic partnership with Forest Fuels.

We are pleased to announce that we are in discussions with investment institutions in relation to the potential funding of the Group's development pipeline. Further details will be provided to shareholders in due course.

Proposed Strategic Partnership with Forest Fuels

The strategic partnership is expected to include:

- Assistance with funding wood chip drying facilities on Forest Fuels' existing depots
- Assistance with Forest Fuels ESCO developments which can be sold on to AMPIL or other third party finance providers
- Sale of dried wood chip to Forest Fuels from AMP gasification plants
- Forest Fuels preferred supplier status for biomass boilers managed by AMP on behalf of AMPIL

Further details will be provided to shareholders in due course.

Risk factors

The principal risks of the business are documented below:

Risk	Control Procedure
Staff retention risk	Long term lock in arrangements and incentivisation 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.
Electricity price risk	The Company will establish off-take contracts (Power Purchase Agreements) to minimise exposure where these are available on reasonable terms.
Planning risk	The Company will seek to minimise 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 risk	Tax computations, VAT computations and PAYE are outsourced to a professional service provider.

AMP Group objectives and KPIs for 2015 are as follows:

- Achieve the maximum power output on the existing plant at Low Plains of 1.0 MWe and fully utilise spare heat from the drying floors to maximise revenues from the sale of forced dried wood chip to third parties.
- Complete the installation and testing of the two small-scale gasification systems at Low Plains to allow a decision to be made on which technology to roll-out at our new gasification development sites.
- Commence construction at the two 1.5 MWe sites at Hill Barton, Devon, and Kingsnorth, Kent, in the next 12 months and aim to commission these projects within 12 months following breaking ground. Identify and apply for planning permission on at least two further sites for construction to commence in 2016.
- Execute on the existing £5m+ pipeline of biomass boiler ESCO projects, wood drying facilities and/or small-scale CHP ESCO installations with the aim to sell completed systems to AMPIL or other third parties to generate development fees.

Strategic Report continued

- Supplement AMP's cash resources with additional new funding from one or a combination of: the refinancing of existing assets; raising project finance from third party providers; asset financing of core items of equipment; the issue of new Ordinary Shares for cash; or any other compelling financing mechanism where the Directors consider doing so to be in the best interests of the Company and its Shareholders.
- Seek to pay a dividend to Ordinary Shareholders in respect of 2015, provided sufficient profits have been generated.

Industry and policy background

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

- The UK's lack of energy security means that domestic energy production, especially renewable energy production, has a high value even in the absence of environmental factors and falling oil prices;
- In light of the gap between the UK's current and proposed energy supply mix, public policy support measures, including incentives, are generally expected to endure;
- Current and proposed support measures specifically favour the smaller scale, de-centralised generation that the AMP Group is targeting;
- By operating smaller scale facilities in close proximity to customers, the AMP Group is able to reduce energy delivery costs and exploit the price premium between retail and wholesale energy pricing; and
- The market for forced dried wood chip is growing rapidly and is strongly supported by new requirements introduced under the RHI Regulations on 24th September 2013, setting emissions limits for biomass boilers. The regulations stipulate that all RHI participants must buy dry fuels, or allow fuel felled from their own land to dry out sufficiently before use and ensure that fuel doesn't become damp when being stored. Non-compliance may delay or affect RHI payments.

Under the EU's Renewable Energy Directive, the UK was set a legally binding target of procuring 15 per cent of its energy consumption from renewable sources by 2020. In 2013 renewable energy accounted for only 5.2 per cent of total energy consumption. We believe this target should underpin political support and financial incentives for the renewable energy sector in the near term.

The UK's drive to decarbonise (the Government has a legally binding target of reducing the UK's greenhouse gas emissions by 80 per cent by 2050 against 1990 levels), is expected to require significant structural changes to the power market, with 8 GW of coal fired generating capacity scheduled to be decommissioned by 2015 due to the Large Combustion Plant Directive. This represents 10.2 per cent of current power generation; a reduction in supply, which in the Directors' opinion will help support the wholesale price of electricity in the near term.

The inception of the RHI in November 2011 has driven a rapid uptake of biomass boilers fuelled by wood chip. Biomass boilers account for 99 per cent of the capacity of accredited RHI installations (as of December 2014). From January 2013 to December 2014 the installed capacity of RHI accredited biomass boilers grew almost sevenfold from 175MW to 1,215 MW.

We believe that 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 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.

This Strategic Report was approved by the Board of Directors of the Company on 22 May 2015 and signed on their behalf by:

Richard Burrell, Chief Executive Officer

Directors’ Report

Strategic report

A review of the business and future developments of the Group are included within the strategic report on pages 3 to 6.

Results

Results for the year are set out in the Consolidated Statement of Comprehensive Income on page 14 and in the Consolidated Statement of Changes in Equity on page 16.

Directors

Neil Eckert (Executive Chairman)
Richard Burrell (Chief Executive Officer)
Mark Tarry (Chief Financial Officer) (appointed 12 May 2014)
Sir Laurence Magnus (Senior Non-Executive Director, Chair of the Audit Committee)
Sir Brian Williamson (Non-Executive Director)
The Rt. Hon. Sir Nicholas Soames (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 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 and Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Directors' 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 8.

	Year ended 31 December					
	2014			2013		
Director	**Salary**	**Other benefits**	**Total**	**Salary**	**Other benefits**	**Total**
Neil Eckert	200,000	2,525	202,525	—	—	—
Richard Burrell*	100,000	20,000	120,000	—	—	—
Mark Tarry**	123,654	14,531	138,185	—	—	—
Matthew Whittell***	53,750	7,156	60,906	161,250	27,866	189,116
Sir Laurence Magnus	25,000	—	25,000	—	—	—
Sir Brian Williamson	15,000	—	15,000	—	—	—
The Rt. Hon. Sir Nicholas Soames	15,000	—	15,000	—	—	—
Total	**532,404**	**44,212**	**576,616**	**161,250**	**27,866**	**189,116**

* 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 £100,000.

** Appointed 12/05/2014

*** Resigned 13/03/2014

Directors' interests

The following Directors held shares in the Company as at 31 December 2014

Neil Eckert	7,454,000
Richard Burrell*	2,730,000
Mark Tarry	230,000
Sir Laurence Magnus	175,000
Sir Brian Williamson	100,000
The Rt. Hon. Sir Nicholas Soames	50,000

*30,000 shares are held by Mathieson Capital Fund Management LLP an entity owned by Richard Burrell

Dividend

No dividend is recommended to be paid in respect of the 2014 financial year.

Events after the reporting period

Note 27 to the accounts sets out details of any important events affecting the Company or its subsidiaries since 31 December 2014.

Financial instruments

Note 19 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 10.

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 22 May 2015 and signed on their behalf by:

Richard Burrell, Chief Executive Officer

Corporate Governance

The Directors support high standards of corporate governance and confirm that they intend that the Company will comply with the UK Corporate Governance Code insofar as is practicable given its size and nature.

Constitution of the board

During the year there were 9 board meetings. The Audit Committee met on one occasion and the Remuneration Committee once. The Nomination Committee 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
Neil Eckert	Executive Chairman
Richard Burrell	Chief Executive Officer
Mark Tarry	Chief Financial Officer (appointed 12 May 2014)
Matthew Whittell	Chief Financial Officer (resigned 13 March 2014)

Committees of the board

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

Meetings shall be held at least 4 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 Committee met once during 2014 to perform its functions in respect of the review of the Report and Accounts. The Audit Committee can meet for private discussion with the external auditor, who attends the meetings as required.

The Remuneration Committee is made up of Sir Laurence Magnus (Chairman), Sir Brian Williamson 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 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 Committee met once during 2014.

The Nomination Committee is made up of Sir Laurence Magnus (Chairman), Sir Brian Williamson 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.

The Committee did not meet during 2014.

Attendance at meetings

During the year there were nine board meetings and the details of attendees are set out below.

Sir Laurence Magnus	(5/9)
Sir Brian Williamson	(5/9)
The Rt. Hon. Sir Nicholas Soames	(3/9)
Neil Eckert	(8/9)
Richard Burrell	(9/9)
Mark Tarry	(5/9)
Matthew Whittell	(3/9)

There was one meeting of the Audit Committee which was attended by all members. There was one meeting of the Remuneration Committee which was attended by two members. There were no meetings of the Nomination Committee. Following the year end there was a meeting of the Audit Committee to review the Report and Accounts for the year ended 31 December 2014.

Bribery Act compliance

At its board meeting on 3 June 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

At its board meeting on 3 June 2014 the Company adopted a schedule of Matters Reserved for the Board. 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 Auditors 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 December 2014 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position and company balance sheet, the consolidated 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 December 2014 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent Company'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 year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors Report to the Members of Aggregated Micro Power Holdings plc continued

Matters on which we are required to report by exception

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

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

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

22 May 2015

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2014

	Note	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Continuing operations			
Revenue	4	252,973	142,665
Cost of sales		(113,801)	(12,776)
Gross profit		**139,172**	**129,889**
Other operating income	5	11,667	—
Administrative expenses	7	(3,253,036)	(2,476,701)
Fair value adjustment on deferred consideration	24	(624,603)	—
Impairment loss	11	(2,224,661)	—
Total administrative expenses		(6,090,633)	(2,476,701)
Loss from operations	**6**	**(5,951,461)**	**(2,346,812)**
Finance income		9,788	—
Finance expense	9	(97,057)	(98,449)
Total finance expense		(87,269)	(98,449)
Loss before tax		**(6,038,730)**	**(2,445,261)**
Tax credit	10	493,470	—
Loss for the year from continuing operations		**(5,545,260)**	**(2,445,261)**
Loss on discontinued operations, net of tax	23	(4,999)	(138,338)
Loss attributable to the ordinary equity holders of the parent		**(5,550,259)**	**(2,583,599)**
Loss per share attributable to the ordinary equity holders of the parent			
Continuing and discontinued operations basic (Pence)	25	(27.2)	(19.9)
Continuing operations basic (Pence)	25	(27.2)	(18.9)

The Notes on pages 18 to 37 form an integral part of these financial statements

Consolidated Statement of Financial Position

As at 31 December 2014

	Note	31 December 2014 £	31 December 2013 (As restated) £	31 December 2012 (As restated) £
Non-current assets				
Property, plant and equipment	11,26	5,050,491	5,832,577	4,580,628
Total non-current assets		**5,050,491**	**5,832,577**	**4,580,628**
Current assets				
Inventories	12	347,543	12,303	26,988
Trade and other receivables	13,26	1,397,249	477,073	307,624
Cash and cash equivalents	14	4,727,078	342,103	213,529
Total current assets		**6,471,870**	**831,479**	**548,141**
Total assets		**11,522,361**	**6,664,056**	**5,128,769**
Current liabilities				
Trade and other payables	15,26	828,766	487,535	282,229
Loans and borrowings	16	173,874	—	305,649
Total current liabilities		**1,002,640**	**487,535**	**587,878**
Non-current liabilities				
Loans and borrowings	16	759,317	1,075,673	1,404,327
Deferred consideration	24	1,873,810	—	—
Total non-current liabilities		**2,633,127**	**1,075,673**	**1,404,327**
Total liabilities		**3,635,767**	**1,563,208**	**1,992,205**
Net assets		**7,886,594**	**5,100,848**	**3,136,564**
Capital and reserves				
Share capital	17	128,473	77,687	54,078
Share premium	17	9,484,658	4,496,412	6,167,447
Merger reserve		6,648,126	7,897,333	—
Other reserve	17	4,546,180	—	—
Capital contribution		—	—	1,702,024
Retained deficit	26	(12,920,843)	(7,370,584)	(4,786,985)
Total equity		**7,886,594**	**5,100,848**	**3,136,564**

The financial statements were approved by the Directors on 22 May 2015 and signed on their behalf by:

Richard Burrell, Chief Executive Officer

The Notes on pages 18 to 37 form an integral part of these financial statements

Consolidated Statement of Changes in Equity

For year ended 31 December 2014

Year ended 31 December 2013	Share capital £	Share premium £	Capital contribution £	Retained deficit £	Merger reserve £	Other reserve £	Total £
Equity as at 1 January 2013 as previously stated	54,078	6,167,447	1,702,024	(4,900,590)	—	—	3,022,959
Prior year adjustment (Note 26)	—	—	—	113,605	—	—	113,605
Restated balance at 1 January 2013	54,078	6,167,447	1,702,024	(4,786,985)	—	—	3,136,564
Loss for the year	—	—	—	(2,583,599)	—	—	(2,583,599)
Total comprehensive expense	—	—	—	(2,583,599)	—	—	(2,583,599)
Contributions by and distributions to owners:							
Issue of share capital	23,609	4,496,412	—	—	—	—	4,520,021
Capital contribution	—	—	—	—	27,862	—	27,862
Merger reserve	—	(6,167,447)	(1,702,024)	—	7,869,471	—	—
Equity as at 31 December 2013	**77,687**	**4,496,412**	**—**	**(7,370,584)**	**7,897,333**	**—**	**5,100,848**

	Share capital £	Share premium £	Capital contribution £	Retained deficit £	Merger reserve £	Other reserve £	Total £
Equity as at 1 January 2014	77,687	4,496,412	—	(7,370,584)	7,897,333	—	5,100,848
Loss for the period	—	—	—	(5,550,259)	—	—	(5,550,259)
Total comprehensive expense	—	—	—	(5,550,259)	—	—	(5,550,259)
Contributions by and distributions to owners:							
Issue of share capital	50,786	5,259,948	—	—	—	4,848,615	10,159,349
Share issue cost	—	(271,702)	—	—	—	(302,435)	(574,137)
Merger reserve	—	—	—	—	(1,249,207)	—	(1,249,207)
Equity as at 31 December 2014	**128,473**	**9,484,658**	**—**	**(12,920,843)**	**6,648,126**	**4,546,180**	**7,886,594**

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.

The Notes on pages 18 to 37 form an integral part of these financial statements

Consolidated Statement of Cash Flows

For year ended 31 December 2014

	Note	31 December 2014 £	31 December 2013 (Restated) £
Operating activities			
Loss for the period after tax		(5,550,259)	(2,583,599)
Adjustments for:			
Impairment loss	11	2,224,661	—
Tax credit	10	(493,470)	—
Interest Income		(9,788)	—
Fair value adjustment on financial liabilities at fair value through profit and loss	24	624,603	—
Gain on disposal of subsidiary	23	(6,699)	—
Loss on disposal of fixed asset		30,999	—
Interest paid	9	97,057	98,449
Depreciation of property, plant and equipment	11	27,095	17,461
Cashflows from operating activities before changes to working capital		(3,055,801)	(2,467,689)
Movement in foreign exchange		7,074	2,022
(Increase)/decrease in inventories		(335,240)	14,685
(Increase)/decrease in trade and other receivables		(492,445)	(169,449)
Increase/(decrease) in trade and other payables		449,470	92,385
		(371,141)	(60,357)
Cash consumed by operations		**(3,426,942)**	**(2,528,046)**
Research and development tax credit received		54,148	—
Net cash flows from operating activities		**(3,372,794)**	**(2,528,046)**
Investing activities			
Purchase of property, plant and equipment	11	(2,071,635)	(1,243,230)
Proceeds from sale of assets		13,750	—
Proceeds from sale of subsidiary	23	508,458	—
Cash disposed of on sales of subsidiary		(1,358)	—
Net cash used in investing activities		**(1,550,785)**	**(1,243,230)**
Financing activities			
Proceeds from issue of shares	17	10,159,349	3,899,850
Share issue cost	17	(574,137)	—
Payments of borrowings		(250,000)	—
Payments of interest on borrowings		(29,646)	—
Bank Interest received		9,788	—
Payments of finance lease		(6,800)	—
Net cash from financing activities		**9,308,554**	**3,899,850**
Net increase in cash and cash equivalents		**4,384,975**	**128,574**
Cash and cash equivalents at beginning of period		342,103	213,529
Cash and cash equivalents at end of period		**4,727,078**	**342,103**

The Notes on pages 18 to 37 form an integral part of these financial statements

Notes to the Financial Statements

For the year ended 31 December 2014

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 years presented, unless otherwise stated.

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.

Basis of consolidation

Where the Company has power, either directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities, it is classified as a subsidiary. 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 are eliminated in full.

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:

- The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights
- Substantive potential voting rights held by the Company and by other parties
- Other contractual arrangements
- Historic patterns in voting attendance

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree'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.

The acquisition of AMP Energy Services Limited fell outside the scope of IFRS 3 and was accounted for using principles of merger accounting contained in FRS 6 'Acquisitions and Mergers' issued by the UK Accounting Standards Board. The Group has adopted the policy that any adjustment to the consideration under merger accounting is adjusted against the merger reserve.

The acquisition of Mathieson Biomass Limited was treated as an acquisition under IFRS 3. The contingent consideration was classified as a financial liability at fair value through profit and loss at inception and is valued at each reporting date. Any fair value adjustment which falls outside the 12 months following the acquisition date is recognised through the income statement.

1 Accounting policies continued

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.

The Low Plains facility is expected to be profitable in 2015 and the Group currently has sufficient working capital to meet its annual operating expenses. The Directors also expect to generate development fees from the Group's project pipeline.

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 (or after) 1 January 2014, 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)
- Mandatory Effective Date and Transition Disclosures – Amendments to IFRS 9 and IFRS 7 (effective 1 January 2015)
- Annual Improvements 2010-2012 Cycle (effective 1 February 2015)
- Defined Benefit plans IAS 19: Employee Contributions: Amendments to IAS 19 (effective 1 February 2015)
- Accounting for Acquisitions of Interests in Joint Operations: Amendments to IFRS 11(effective 1 January 2016)
- Clarification of Acceptable Methods of Depreciation and Amortisation: Amendments to IAS 16 and IAS 38 (effective 1 January 2016)
- Equity Method in Separate Financial Statements (Amendments to IAS 27) (effective 1 January 2016)
- IFRS 15 Revenue from Contracts with Customers (effective 1 January 2017)
- IFRS 14 Regulatory Deferral Accounts (effective 1 January 2016)
- Annual Improvements to IFRSs 2011-2013 Cycle (effective 1 January 2015)
- Amendments to IAS 16 and IAS 41: Agriculture: Bearer Plants (effective 1 January 2016)
- Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28) (effective 1 January 2016)
- Annual Improvements to IFRSs (2012–2014 Cycle) (effective 1 January 2016)
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28) (effective 1 January 2016)

Notes to the Financial Statements continued

For the year ended 31 December 2014

1 Accounting policies continued

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. Revenue from the sale of goods is recognised upon delivery.

Revenues from electricity, ROCs and other subsidies are recognised at the point of generation and are based on the combination of sales prices achieved and the metered output of electricity.

Revenues from the development of biomass boilers ESCOs are recognised under IAS 18. The Group's intention is to hold the costs of each installation in Work In Progress in the consolidated statement of financial position and to recognise the gross asset value (including a development margin) and gross installation costs through the consolidated statement of comprehensive income once each boiler has been commissioned and sold. We typically define the commissioning of a biomass boiler as the point at which the boiler is run consistently at its generating capacity and or at the point of RHI accreditation.

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. In particular, any interest on loans relating directly to the construction of the biomass gasification power station are capitalised until it is ready for commercial production.

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
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

Impairment tests on other 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.

For the year ended 31 December 2014

1 Accounting policies continued

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.

Financial assets

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

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 liabilities

The Group's financial liabilities mainly comprise of a single loan, trade and other payables and a provision for deferred consideration.

Borrowings are in the form of a shareholders loan. More information is provided on Notes 16 and 19.

The Group classifies its financial liabilities as other financial liabilities and at fair value through profit and loss. Other Financial liabilities include the following:

Loans 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 ensuring the interest element of the borrowing is expensed over the repayment period at a constant rate.

Deferred consideration relating to the acquisition of subsidiary companies is accounted for under IFRS 3 and valued at fair value at the end of each reporting date. It is adjusted against goodwill within 12 months following the acquisition and through the income statement thereafter.

Trade and other payables are not interest bearing and are stated at their nominal amount. More information is provided in Notes 15 and 19.

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 substantially 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.

Notes to the Financial Statements continued

For the year ended 31 December 2014

1 Accounting policies continued

***Leased assets** continued*

Where substantially 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.

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.

The Board considers that the Group's project activity constitutes one operating and one reporting segment, as defined under IFRS 8. Management reviews the performance of the Group by reference to total results against budget. The total profit measures are operating profit and profit for the year, both disclosed on the face of the consolidated statement of comprehensive income. No differences exist between the basis of preparation of the performance measures used by management and the figures in the Group financial information.

Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale, that has been disposed of, has been abandoned or that meets the criteria to be classified as held for sale. Discontinued operations are presented in the consolidated statement of comprehensive income as a single line which comprises the post-tax profit or loss of the discontinued operation along with the post-tax gain or loss recognised on the re-measurement to fair value less costs to sell or on disposal of the assets or disposal Groups constituting discontinued operations.

The results of operations disposed during the year are included in the consolidated statement of comprehensive income up to the date of disposal.

1 Accounting policies continued

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.

Share-based payments

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period.

Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit and loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with the fair value of goods and services received.

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 projects, which are recognised at cost until they are sold.

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.

Notes to the Financial Statements continued

For the year ended 31 December 2014

2 Critical accounting estimates and judgements continued

***Judgements and accounting estimates and assumptions** continued*

(b) Fair value of deferred 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 24.

(c) Impairment of fixed assets

All assets are reviewed for indicators of impairment. Impairment tests are carried out when there is a trigger event. 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 11 and 26.

3 Segmental information

The Group operates in one business and geographic segment, being renewable energy projects in the United Kingdom only.

4 Revenue

	Year ended 31 December	
	2014 **£**	**2013** **£**
Electricity generation	46,009	2,762
Wood fuel sales	89,726	136,903
Development, management and consultancy fees	117,238	3,000
	252,973	**142,665**

Total revenue from transactions with AMP Heat Ltd amounted to £117,238. No other single customer represents 10% or more of total revenue.

5 Other operating income

	Year ended 31 December	
	2014 **£**	**2013** **£**
Rental income	11,667	—
	11,667	**—**

Notes to the Financial Statements continued

For the year ended 31 December 2014

6 Operating loss

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Operating loss is stated after charging:		
Depreciation	29,351	17,461
Auditors remuneration		
– audit of group financial statements	45,000	30,000
– audit related services	20,000	—
– tax advisory services	6,177	3,000
– all services relating to corporate finance services	9,454	—
– corporate finance fee for IPO	47,270	—
Other IPO costs	138,854	—
Foreign exchange loss	7,074	—
Operating lease payments	74,245	55,300
Licence to occupy payments	208,160	34,740

7 Expenses by nature

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Depreciation	29,351	17,461
Staff costs	1,734,182	1,142,492
Licence to occupy charges	208,160	34,740
Operating lease expenses	74,245	55,300
Audit fees	45,000	30,000
IPO costs	193,876	—
Other administrative expenses	968,222	1,196,708
	3,253,036	**2,476,701**

8 Staff costs

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Staff costs (including Directors) comprise:		
Wages and salaries	1,416,025	842,510
Social security contributions and similar taxes	180,377	100,367
Defined contribution pension costs	95,920	103,469
Other personnel related costs	41,860	96,146
	1,734,182	**1,142,492**
Average number of staff	29	16

Notes to the Financial Statements continued

For the year ended 31 December 2014

8 Staff costs continued

Directors' salaries

	Year ended 31 December	
	2014 £	2013 £
Short term employee benefits	532,404	161,250
Total pension and other employment benefit costs	44,212	27,866
	576,616	**189,116**

Highest paid Director: Neil Eckert's salary (2013: Matthew Whittell)

	Year ended 31 December	
	2014 £	2013 £
Short term employee benefits	200,000	161,250
Total pension and other employment benefit costs	2,525	27,866
	202,525	**189,216**

Key management personnel are the Directors of the Company.

9 Finance expense

	Year ended 31 December	
	2014 £	2013 £
Interest expense	97,057	98,449
	97,057	**98,449**

10 Taxation

	Year ended 31 December	
	2014 £	2013 £
Current tax credit	493,470	—
Deferred tax expense	—	—
Total tax credit	493,470	—
Loss for the year	(6,038,730)	(2,583,599)
Loss on sale of subsidiary	(4,999)	—
Losses before tax	**(6,043,729)**	**(2,583,599)**
Expected tax charge based on the standard rate of corporation tax at the domestic rate of 21.50% (2013: 23.25%)	(1,299,401)	(600,687)
Expenses not deductible for tax purposes	615,830	156,144
Capital allowances in excess of depreciation	410,853	—
Differences in tax rates	(48,495)	—
Unprovided losses carried forward	689,882	444,543
R&D tax credit received	124,802	—
Total credit	**493,470**	**—**

Notes to the Financial Statements continued

For the year ended 31 December 2014

10 Taxation continued

A deferred tax asset on carried forward loss has not been recognised on the basis that there is no certainty over the profits for the 12 month period following the year end losses carried forward to be utilised against future profits of £9,753,103 (2013: £6,587,990). Deferred tax unrecognised at the end of the year amount to £1,950,621 (2013: £1,317,598). The deferred tax rate for 31 December 2014 is 20% being the substantively enacted rate at the end of the year. The Finance Act 2013 which was substantially enacted on 2 July 2013 includes legislation reducing the main rate of corporation tax from 24% to 23% from 1 April 2013 and further reducing the main rate of corporation tax from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015.

Tax credit of £54,148 for Research and Development Tax Relief in relation to technical development in the gasification plant for FY 2012 was received during the year. During the year the Company also applied for Research and Development Tax Relief for FY 2013 (£70,666) and ECA Tax relief for both FY 2012 and 2013 (Total: £368,656). Total tax credits recognised in 2014 amount to £493,470.

11 Property, plant and equipment *(Restated, Note 26)*

	Assets Under Construction £	Plant & Machinery £	Furniture & Fixtures £	Computer Equipment £	Motor Cars £	Total £
Cost						
As at 1 January 2012	3,417,524	11,150	8,000	1,426	—	3,438,100
Additions for 2012	481,983	124,058	—	—	39,841	645,882
Capitalised borrowing costs for 2012	512,626	—	—	—	—	512,626
As at 1 January 2013	4,412,133	135,208	8,000	1,426	39,841	4,596,608
Additions for 2013	1,077,085	199,534	—	791	—	1,277,410
Disposals for 2013	—	—	(8,000)	—	—	(8,000)
As at 1 January 2014	5,489,218	334,742	—	2,217	39,841	5,866,018
Additions for 2014	2,059,172	10,560	—	903	38,000	2,108,635
Disposals for 2014	(17,923)	(594,216)	—	—	(43,174)	(655,313)
Transfers	(399,757)	396,424	—	—	3,333	–
Impairment	(2,224,661)	—	—	—	—	(2,224,661)
As at 31 December 2014	**4,906,049**	**147,510**	**—**	**3,120**	**38,000**	**5,094,679**
Depreciation						
As at 1 January 2012	—	531	2,222	396	—	3,149
Charge for the year 2012	—	6,273	2,667	475	3,416	12,831
As at 1 January 2013	—	6,804	4,889	871	3,416	15,980
Charge for the year 2013	—	13,753	—	629	7,968	17,461
Disposals for 2013	—	—	(4,889)	—	—	—
As at 1 January 2014	—	20,557	—	1,500	11,384	33,441
Charge for the year 2014	—	16,935	—	485	11,931	29,351
Disposals for the period	—	(2,257)	—	—	(16,347)	(18,604)
As at 31 December 2014	**—**	**35,235**	**—**	**1,985**	**6,968**	**44,188**
Net book value						
As at 1 January 2012	**3,417,524**	**10,619**	**5,778**	**1,030**	**—**	**3,434,951**
As at 1 January 2013	**4,412,133**	**128,404**	**3,111**	**555**	**36,425**	**4,580,628**
As at 1 January 2014	**5,489,218**	**314,185**	**—**	**717**	**28,457**	**5,832,577**
As at 31 December 2014	**4,906,049**	**112,275**	**—**	**1,135**	**31,032**	**5,050,491**

Notes to the Financial Statements continued

For the year ended 31 December 2014

11 Property, plant and equipment *(Restated, Note 26)* continued

Construction and commissioning costs associated with the development of Low Plains, including £131,580 of centralised salary costs directly relating to the upgrade and construction programmes at Low Plains, have been capitalised in the consolidated statement of financial position.

During the year £2,962 (2013: nil) of borrowing costs directly attributable to the commissioning of plant were capitalised. A £38,000 (2013: nil) vehicle finance lease was capitalised and depreciated by £6,968 (2013: nil) over the course of the year.

Further information on prior year restatements see note 26.

Impairment of Low Plains

The Directors have used a DCF model to determine the revised carrying value of Low Plains. The model applies a discount rate of 12%, which the Directors believe is a fair market based discount rate for a biomass plant, to forecast forward looking earnings and assumes the plant generates at its target 1MW capacity. The valuation excludes the additional income from the smaller scale CHP and biomass boiler units which are expected to increase the profitability of Low Plains in 2015. The total impairment loss recognised in the consolidated statement of comprehensive income is £2,224,661 (2013: nil), making the recoverable value of the plant at year end equal to approximately £4,694,189.

12 Inventories

	Year ended 31 December	
	2014 £	**2013** £
Raw materials and consumables	15,286	12,303
Biomass boilers work in progress	332,257	—
	347,543	**12,303**

13 Trade and other receivables

	Year ended 31 December	
	2014 £	**2013** *Restated* £
Trade receivables	75,446	32,300
Tax assets	439,322	—
Other receivables	628,555	412,967
VAT receivables	121,203	—
Prepayments	99,506	28,456
Accrued income	33,217	3,350
	1,397,249	**477,073**

The value of the trade receivables, which were past due on 31.12.2014, was £5,249. No provision for impairment has been made as management believes all overdue amounts are recoverable. Further information on prior year restatements see note 26.

Notes to the Financial Statements continued

For the year ended 31 December 2014

14 Cash and cash equivalents

	Year ended 31 December	
	2014 £	2013 £
Cash at bank and hand	4,727,078	342,103
	4,727,078	**342,103**

15 Trade and other payables

	Year ended 31 December	
	2014 £	2013 *Restated* £
Trade payables	546,630	338,331
Accruals	206,668	51,723
Other payables	10,843	—
VAT payables	—	58,427
Employment tax and social security	64,625	39,054
	828,766	**487,535**

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

Further information on prior year restatements see note 26.

16 Loans and borrowings

31 December 2013

	0-3 months £	3 months to 1 year £	1 to 5 years £	Over 5 years £
Financial liabilities				
Shareholders' loan	—	—	—	1,075,673
Other loan	—	—	—	—
	—	**—**	**—**	**1,075,673**

31 December 2014

	0-3 months £	3 months to 1 year £	1 to 5 years £	Over 5 years £
Financial liabilities				
Shareholders' loan	165,758	—	740,231	—
Other loan (note 21)	2,028	6,088	19,086	—
	167,786	**6,088**	**759,317**	**—**

The fair values of non-current liabilities are not materially different to their carrying value. The rate of interest on the shareholder loan is 8%. The loan is repayable on demand from 1 January 2015 and must in any event be repaid by 30 November 2020.

Notes to the Financial Statements continued

For the year ended 31 December 2014

17 Share capital

	No. of shares	Issued capital £	Share premium £	Other reserve £
Ordinary shares of £1.00 each				
As at 1 January 2013	54,078	54,078	6,167,447	—
Share issued 29 January 2013	925	925	—	—
Share designated from £1 to £0.005	11,000,600	55,003	6,167,447	—
Transfer to merger reserve	—	—	(6,167,447)	—
Share issues	4,137,826	20,702	4,102,067	—
Debt to equity swap	396,327	1,982	394,345	—
As at 31 December 2013	**15,534,753**	**77,687**	**4,496,412**	**—**
Ordinary shares of £0.005 each				
As at 1 January 2014	15,534,753	77,687	4,496,412	—
Issued for cash during the period	10,159,749	50,786	5,259,948	4,848,615
Cost of issue	—	—	(271,702)	(302,435)
As at 31 December 2014	**25,694,502**	**128,473**	**9,484,658**	**4,546,180**

On 18 July 2014, the Company completed a successful Initial Public Offering on AIM issuing 9,500,000 ordinary shares in AMP. The transaction costs directly attributable to the issue of new shares, totalling £574,137, have been accounted for as a deduction from Share premium and Other reserve. The balance of transaction costs not directly attributable to the issue of new shares, totalling £193,876, have been expensed in the consolidated statement of comprehensive income.

Other reserves relates to shares issued through a cashbox structure, the excess of the share value over the par value of the shares issued is not credited to the share premium in line with s612 of the Companies Act 2006.

18 Subsidiaries

As at 31 December 2014, the Company had the following subsidiaries:

	Country of incorporation	Percentage of ordinary shares held
Aggregated Micro Power Limited	England and Wales	100%
Mathieson Biomass Limited	England and Wales	100%
AMP Low Plains Limited *	England and Wales	100%
AMP Energy Services Limited *	England and Wales	100%
Sterivert Limited *	England and Wales	100%
AMP Hill Barton Limited (Formerly AMP Newport AD Limited)*	England and Wales	100%
AMP Kingsnorth Limited	England and Wales	100%

*Held indirectly

19 Financial instruments

Risk management

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. The Group reports in Pound Sterling. All funding requirements and financial risks are managed based on policies and procedures adopted by the Board of Directors. The Group does not use derivative financial instruments such as forward currency contracts, interest rate swaps or similar instruments. The Group does not issue or use financial instruments of a speculative nature.

Notes to the Financial Statements continued

For the year ended 31 December 2014

19 Financial instruments continued

The Group is exposed to the following financial risks:

- Credit risk
- Liquidity risk
- Foreign exchange risk
- Interest rate risk

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
- Trade and other payables
- Loans and borrowings
- Deferred contingent consideration

The Group's financial assets and liabilities mainly comprise cash, borrowings, trade and other receivables and trade and other payables, with smaller balances being recorded as other debtors and other creditors.

	Loans and receivables	
	2014 £	2013 £
Current financial assets		
Trade receivables	75,446	32,300
Cash and cash equivalents	4,727,078	342,103
Other receivables	661,772	416,317
	5,464,296	**790,720**

	Financial liabilities measured at amortised cost		Financial liabilities at fair value through profit and loss	
	2014 £	2013 £	2014 £	2013 £
Current financial liabilities				
Trade Payables	546,630	338,331	—	—
Other Payables	217,511	110,150	—	—
Loans	165,758	—	—	—
Obligations under finance lease	8,116	—	—	—
	938,015	**448,481**	**—**	**—**
	2014 £	2013 £	2014 £	2013 £
Non-current financial liabilities				
Deferred contingent consideration	—	—	1,873,810	—
Obligations under finance lease	19,086	—	—	—
Loans	740,231	1,075,673	—	—
	759,317	**1,075,673**	**1,873,810**	**—**

Notes to the Financial Statements continued

For the year ended 31 December 2014

19 Financial instruments continued

Financial instruments measured at fair value

The Group only has one financial instrument measured at fair value being the deferred contingent consideration. The fair value is a level 3 valuation, details of the method and inputs are included in note 24.

Financial instruments risk

The main risks arising from the Group's operations are credit risk, currency risk and interest rate risk, however other risks are also considered below.

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 December 2014 the Group had trade receivables of £75,446 (2013: £32,300).

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:

	Year ended 31 December	
	2014 £	**2013 £**
Cash balances	4,727,078	342,103
Trade and other receivables	1,397,249	477,073
	6,124,327	**819,176**

The Directors are unaware of any factors affecting the recoverability of outstanding balances at 31 December 2014 and 2013 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 December 2014 and 2013.

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 prepare 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.

For the year ended 31 December 2014

19 Financial instruments continued

Foreign exchange risk

Foreign exchange risk has minimal impact on the Group.

Interest rate risk

The Group is exposed to interest rate risk through its cash balances. Sensitivity analysis has not been provided as it is not considered material to the Group.

The return on the bank balances is linked to short-term deposit rates and is therefore linked closely to bank base rate changes. All bank balances are instantly accessible.

There is a single shareholder loan paying an annual interest rate of 8% (2013: 8%)

Capital management

The Group's capital is made up of share capital, share premium, capital contribution, as noted in the Statement of Changes in Equity and cash, as described in Note 14 and loans as described in Note 16.

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.

20 Operating leases payments

The minimum rent receivables under non-cancellable operating leases are as follows:

	Year ended 31 December	
	2014 **£**	**2013** **£**
Not later than one year	63,113	59,000
Later than one year and not later than five years	242,306	236,000
Later than five years	938,750	1,003,000
	1,244,169	**1,298,000**

21 Financial leases payments

	Year ended 31 December	
	2014 **£**	**2013** **£**
Not later than one year	8,116	—
Later than one year and not later than five years	19,084	—
Later than five years	—	—
	27,200	**—**

Notes to the Financial Statements continued

For the year ended 31 December 2014

22 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 £100,000 (2013: £245,500) 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 £36,000 (2013: nil) per year.

On the 17 April 2014 Matthew Whittell, formerly a Director of the Group, was paid a cash settlement sum of £22,267.

Neil Eckert, Executive Chairman of the Group, has a loan outstanding to the Group at the year end of £905,989 (2013: £1,075,673) which includes the interest of £165,758 (2013: £85,441).

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 £1,873,810, of which £1,249,207 is allocated to Neil Eckert and £624,603 to Mathieson Capital LLP. More details can be found in note 24.

23 Discontinued operations

On 1 May 2014, the Group sold AMP Heat Limited including its portfolio of five biomass boiler projects, to Aggregated Micro Power Infrastructure Limited ("AMPIL") for a cash consideration of £508,458. AMPIL is a special purpose vehicle which is wholly owned by Law Debenture plc as trustee for general charitable purposes and is not a related party of the AMP Group for UK company law purposes. AMPIL's Directors are provided by Law Debenture and there are no common Directors between AMP and AMPIL.

The Group has an Asset Services and Performance Guarantee Agreement with AMPIL to provide fuel, management, operation and maintenance services for the boilers. The Group may charge fees for these services, provided that such fees do not exceed an amount which, immediately following payment of such fees, would result in the interest cover on AMPIL's loan notes being less than 1.25x. As part of the Agreement, the Group has provided AMPIL with several performance guarantees including a guarantee from AMP to pay interest on AMPIL's loan notes. AMP may terminate the Agreement on 12 months written notice, whereupon AMP's obligation to cover any interest shortfall will survive a further 12 months from the termination date. At the end of 2014, AMPIL had 1,150,000 loan notes in issue and paid interest of £58,630 which has been covered by the cash flows of AMPIL.

The results of discontinued operation which have been included in the condensed statement of comprehensive income, were as follows.

	Year ended 31 December	
	2014 £	**2013 £**
Results of discontinued operations		
Revenue less cost of sales	(4,441)	—
Administration expenses	(7,257)	(138,338)
Loss before taxation from discontinued operation	(11,698)	(138,338)
Taxation	—	—
Loss after taxation	(11,698)	(138,338)
Gain on disposal of discontinued operations, net of tax	6,699	—
Loss after tax for the period from a discontinued operations	**(4,999)**	**(138,338)**

For the year ended 31 December 2014

23 Discontinued operations continued

A gain of £6,699 arose on disposal of AMP Heat Limited, being the proceeds of disposal less the carrying amount of the assets and liabilities as per below calculation.

	£
Consideration received	508,458
Net assets disposed of	
Property, plant and equipment	591,959
Trade and other receivables	18,039
Trade and other payables	(108,239)
	501,759
Pre-tax gain on disposal	6,699
Related tax income	—
Gain on disposal	**6,699**

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Cash flow from discontinued operation		
Operating activities		
Loss before tax	(11,698)	(138,338)
Adjustments for		
Gain on disposal of the discontinued operations	6,699	—
Depreciation	2,257	—
	(2,742)	(138,338)
Increase in trade and other receivables	332	(332)
Increase/(decrease) in trade and other payables	—	—
	332	(332)
Cash generated used in operations	(2,410)	(138,670)
Investing activities		
Proceeds from sale of subsidiary	508,458	—
Purchase of property, plant and equipment	(309,559)	(194,458)
Net cash used in investing activities	198,899	(194,458)
Net cash flows from discontinued operations	196,489	(333,128)

24 Deferred contingent consideration and employee options

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 2017 ("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.

Notes to the Financial Statements continued

For the year ended 31 December 2014

24 Deferred contingent consideration and employee options continued

A Black-Scholes Option Pricing 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 £1,873,810, allocated £1,249,207 to Neil Eckert and £624,603 to Mathieson Capital LLP. The valuation was based on an assumed volatility of 40% 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.

In addition to the deferred consideration, 225,000 share options issued under the Group's EMI plan are outstanding at 31 December 2014. The options are subject to the same TSR criteria as the deferred consideration but have a strike price of £1.00 and therefore are expected to have an immaterial contingent value as at 31 December 2014.

25 Loss per share

	Year ended 31 December	
	2014 £	2013 £
Loss attributable to equity holders of the Company	(5,550,259)	(2,583,599)
Weighted average number of shares	20,370,996	12,951,216
Continuing and discontinued operations basic (Pence)	**(27.2)**	**(19.9)**
Continuing operations basic (Pence)	**(27.2)**	**(18.9)**

The basic and diluted earnings per share have been calculated using the loss attributable to shareholders of the parent company, Aggregated Micro Power Holdings plc. The basic and dilutive loss per share are the same as the Group made a loss in the year.

26 Prior year restatements

The financial statements have been adjusted to account for the expected repayment of £609,960 stolen from the Company by a former employee who has since been dismissed for gross misconduct. The theft related to forged wood fuel invoices at Low Plains for the period beginning February 2012 and ending in March 2015. The former employee has undertaken to repay the monies in full and the Group has been provided with a legal charge over sufficient assets to ensure full repayment. This matter is isolated to a single employee and does not affect any customers or suppliers.

The Directors anticipate a full cash repayment of £609,960 to the Group during 2015 and have made the following adjustments to the prior year financial statements.

Notes to the Financial Statements continued

For the year ended 31 December 2014

26 Prior year restatements continued

Full year 2012

Expenses have been reduced in the consolidated statement of comprehensive income by £113,605 resulting in a commensurate reduction in carried forward losses. The Group have recognised a receivable of £136,326 against the former employee and a VAT liability of £22,721 in the consolidated statement of financial position.

Full year 2013

During the year the majority of wood fuel costs at Low Plains were capitalised as an asset under construction. Fixed assets have been reduced by £178,531 and the Group have recognised a receivable of £214,237 against the former employee and a VAT liability of £35,706 resulting in no net change to the previously reported balance sheet position apart from the adjustment noted above re 2012.

Full year 2014

Although the 2014 figures are not being restated we have included the impact of the fraud for 2014 and 2015 in here for completeness.

During the year the majority of wood fuel costs at Low Plains were capitalised as an asset under construction. Fixed assets have been reduced by £196,808 and the Group have recognised a receivable of £235,422 against the former employee and a VAT liability of £38,614 resulting in no net change to the balance sheet position.

The remaining adjustments will be made in 2015, comprising of a £19,356 reduction in the cost of sales, a receivable of £23,975 against the former employee and a VAT liability of £4,619. These 2015 adjustments do not require a restatement of prior year results but have been included for completeness.

27 Events after the reporting period

The Group has successfully installed and commissioned two biomass boilers at Champneys Forest Mere which have been transferred to AMPIL for a consideration of £519,750. The Group is also in discussions with Forest Fuels Holdings Ltd regarding a proposed strategic partnership as set out on page 4 of the Strategic Report.

Company Balance Sheet

For the year ended 31 December 2014

	Note	2014 £	2013 (As restated) £
Fixed assets			
Investments	4	55,004	55,004
Total non-current assets		**55,004**	**55,004**
Current assets			
Debtors: Amounts falling due within one year	6	9,460,105	4,230,787
Cash		4,670,826	243,272
Total current assets		**14,130,931**	**4,474,059**
Current liabilities			
Trade and other creditors	7	55,853	243,836
Total current liabilities		**55,853**	**243,836**
Net current assets		**14,075,078**	**4,230,223**
Net assets		**14,130,082**	**4,285,227**
Equity attributable to equity holders of the Company			
Paid up share capital	8	128,473	77,687
Share premium account	9	9,484,658	4,496,412
Other reserve	9	4,546,180	—
Retained earnings	9	(29,229)	(288,872)
Total equity		**14,130,082**	**4,285,227**

The Notes on pages 39 to 40 form part of these Company financial statements.

The Company financial statements were authorised for issue by the board of Directors on 22 May 2015 by:

Richard Burrell, Chief Executive Officer

Notes to the Company Balance Sheet

For the year ended 31 December 2014

1 Accounting policies

The Company financial statements have been prepared under the historical cost convention and in accordance with applicable UK Accounting Standards. The principal accounting policies, which have been applied consistently, are set out below.

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.

2 Employees

The Company had no direct employees in 2014. No costs of employment were recharged to the Company in 2014.

3 Directors

Details of the remuneration of the Company's Directors are outlined in Note 8 of the Group's financial statements and the Director's report. 3 non-executive Directors were remunerated (Total: £60,120) from the Company in 2014. 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.

4 Investments

	Year ended 31 December	
	2014 **£**	**2013** **£**
Cost and net book value at December 2013 and 2014	**55,004**	**55,004**

5 Principal subsidiary undertakings

The principal subsidiary undertakings of the Company are disclosed in Note 18 of the Group financial statements. Their activities are described in the strategic report.

6 Debtors

	Year ended 31 December	
	2014 **£**	**2013** ***Restated*** **£**
Debtors: Amounts falling due within one year		
Prepayments	40,725	11,694
Other debtors	40,637	1,938
Amounts owed by group undertakings	9,378,743	4,217,155
	9,460,105	**4,230,787**

The intercompany asset of £4,217,155 as at 31 Dec 2013 has been reclassified to amounts due within one year from amounts due after more than a year.

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 Balance Sheet continued

For the year ended 31 December 2014

7 Creditors: amounts falling within one year

	Year ended 31 December	
	2014 £	2013 £
Trade creditors due within 1 year	55,853	243,836
	55,853	**243,836**

8 Share capital

	Year ended 31 December	
	2014 £	2013 £
Allotted, called up and fully paid *25,694,502 (2013: 15,534,552) Ordinary shares of £0.005 each*	**128,473**	**77,687**

9 Reconciliation of movements in shareholders' funds

	Share capital £	Share premium £	Other reserve £	Retained deficit £	2014 Total £
As at 1 January 2014	**77,687**	**4,496,412**	**—**	**(288,872)**	**4,285,227**
Shares issued	50,786	5,259,948	4,848,615	—	10,159,349
Profit for the year	—	—	—	259,643	259,643
Share issue cost	—	(271,702)	(302,435)	—	(574,137)
As at 31 December 2014	**128,473**	**9,484,658**	**4,546,180**	**(29,229)**	**14,130,082**

The Company is not publishing a separate profit and loss account, as permitted by Section 408 of the Companies Act 2006. The profit for the financial year of the parent undertaking dealt with in the Group financial statements was £259,643 (2013: £288,872).

10 Financial and capital commitments

The Company had no financial or capital commitments at 31 December 2014.

11 Related party transactions

The Company has taken advantage of the exemption conferred by FRS 8 (Related Party Disclosures) not to disclose transactions with wholly owned subsidiary undertakings within the Aggregated Micro Power Holdings plc group.

12 Cash flow statement

The Company has taken advantage of the exemption conferred by FRS 1 (Cash Flow Statements) not to prepare a cash flow statement on the basis that the Company's results are included in the Group financial statements of Aggregated Micro Power Holdings plc.

13 Contingent consideration

For details of contingent consideration see note 24, contingent consideration is only recognised when it is probable it will be paid.

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