Aggregated Micro Power Holdings plc

Audited Report and Financial Statements

For the year ended 31 December 2015

Registered number: 8372177

aggregated micro power

DEVELOPMENT | FUNDING | INSTALLATION | MANAGEMENT

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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

Executive Chairman's Statement

The core strategy of AMP is to participate in the emerging small scale, distributed heat and power market. With each passing month, this market seems to evolve rapidly. Early stage technologies that pre-dated AMP were wind and solar, starting small and scaling-up to the extent that they now represent over 11% of the UK power generation infrastructure. In recent years, we have seen a focus on the renewable heat market involving predominantly biomass boilers, biomass CHP and anaerobic digestion. Once again, there is the similar pattern of starting small with generous subsidies and gradually scaling-up in size as subsidies are cut and Government targets are met.

The current installed renewable heat capacity in the UK market is 3% with a Government target of 12% by 2020. In the November 2015 Autumn Statement, the Government reaffirmed its commitment to the Renewable Heat Incentive and we are now seeing an encouraging outlook for biomass boiler developments through to 2020. As this market will grow in size and maturity each year, we expect our future focus will be on installing and providing fuel for larger scale biomass systems as well as district heating systems.

The next phase of the market development is power storage. This is already developing at pace and we are active in this market. It currently takes place as standby generation capacity, balancing the grid when the renewable mix (i.e. non base load) is not running at capacity. This will, over time, be supplied by batteries. We would observe that the biggest wealth creation event in the 2nd half of the 20th Century was the breaking of the mainframe and the emergence of distributed computing. We would contend that a similar event will occur in the power market, resulting in a dramatic reduction in dependence on the transmission grid and a seismic shift towards distributed power generation.

2015 has been a year of two very distinct halves for AMP. On the one hand we experienced a very uncertain regulatory environment surrounding renewable energy policy in the run up to and immediately following the General Election and at the same time we encountered further commissioning issues at our gasification plant in Cumbria which resulted in its decommissioning and consequential impairment. On the other hand, we made excellent progress with the development and financing of our biomass boiler Energy Service Company ("ESCO") business and following the year end we were able to raise the necessary finance to acquire Forest Fuels which provides us with a strong national footprint to grow a significant wood fuels business.

On 25 November 2015, AMPIL[1] tapped its existing issue raising an additional £5.7m taking its total size to over £12m. AMP's biomass boiler business is running ahead of management and IPO expectations and provided we continue to execute on our pipeline of biomass boiler installations, combined with us assisting AMPIL to raise additional loan notes, we will be able to earn a steady stream of development fees for AMP both in terms of the upfront fee of 10% of capital expenditure and, in time, from the deferred development fees which will be due to AMP from AMPIL.

The acquisition of Forest Fuels after the year end marks a significant development for AMP and for our strategic ambitions. The Acquisition will accelerate AMP's growth by providing a market leading distribution capability in wood fuels operating from 20 regional depots and providing us with a platform for further roll-up opportunities. Forest Fuels has a growing customer base and currently serves over 1,000 customers nationwide. By combining the business development activities and offering both long term financing for biomass boilers and CHP systems together with long term wood fuels contracts to end customers, there will be significant opportunities to increase our development fee revenues and generate income from associated wood fuel contracts.

The outlook for AMP with its revised strategy of focusing on biomass ESCOs and being a market leader and consolidator in the provision of wood fuels (wood pellet and wood chip) provides us with an exciting opportunity to maximise potential from a segment of the energy market that has been recently underpinned by renewed government support through to 2020.

[1] AMPIL or Aggregated Micro Power Infrastructure Limited is a special purpose vehicle which is wholly owned by Law Debenture as trustee for general charitable purposes and is not part of the AMP Group for UK company law purposes.

Executive Chairman's Statement continued

Finally, in order to align our future financial reporting with the seasonality of biomass fuel sales and operations, AMP will, following the signing of these financial statements, change its reporting year from a calendar year end to a 31 March year end. In order to facilitate this change and to avoid reporting a 15 month first period (1 January 2016 – 31 March 2017), AMP will publish audited financial results for a short 3 month period (1 January 2016 – 31 March 2016) during September 2016 and in accordance with the change in year end, Interim Results for the 6 month period to 30 September 2016 will be published in December.

Neil Eckert, Executive Chairman

29 June 2016

Strategic Report

This report presents our Report and Accounts for the twelve months ending 31 December 2015.

Results

Group revenues increased to £1.125m (2014: £0.253m). This increase is due primarily to boiler project sales and development fees of £0.977m (2014: £0.117m).

The loss before tax increased to £7.201m (2014: £6.039m). The loss before tax includes the full impairment charge at Low Plains which amounts to £5.355m (2014: £2.225m), the write down of Work In Progress costs of £0.390m in respect to the development of the gasification projects in Devon and Kent, and the recognition of an additional expense of £0.182m for further committed spend on the gasification assets which have been incurred post year end. The 1MW gasification plant and gasification development costs have now been written down to zero.

Administrative expenses from continuing operations increased to £2.234m (2014: £2.162m).

Net assets decreased to £0.685m (2014: £7.887m). The balance sheet does not include any recognition for future deferred development fees that may be due from AMPIL.

Cash and cash equivalents decreased to £0.676m (2014: £4.727m).

On 9 March 2016, the company announced a fundraising of £5.79m comprising a placing of Ordinary Shares to raise gross proceeds of £1.72m and Convertible Notes raising £4.07m. Proceeds from the fund raise were used to finance the cash portion of the acquisition of Forest Fuels and to increase the company's working capital. As at 30 June 2016, cash and cash equivalents were £1.32m.

Our decision to decommission our 1MW gasification plant at Low Plains in Cumbria was driven by the lack of reliability and performance which resulted in reduced output and profitability. The resultant impairment of the asset is a disappointing outcome but the Directors believe that this is in the best long term interests of shareholders. During the latter half of the year, we did examine the feasibility of installing multiple, small-scale gasification CHP units but with the apparent lack of support for gasification in the government's recently published consultation on the future of the Renewable Heat Incentive ("RHI") and the ending of the support for small-scale electricity generation provided by Renewable Obligation Certificates (ROCs) in March 2017, following the year end the Directors have concluded that investing further sums into gasification projects can no longer be economically justified. The Group will also no longer develop CHP gasification developments at its proposed sites in Devon and Kent.

AMP Group strategy

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.

Following the post period-end acquisition of Forest Fuels, AMP's strategy is to focus on selling wood chip and wood pellet to end customers throughout the UK and to create a market leading business in the sale of renewable heat and fuel. The Directors believe that the Combined Group's wood fuels customer base can be grown by a combination of organic growth and in-fill acquisitions in strategic locations.

The acquisition of Forest Fuels will accelerate AMP's growth by providing a market leading distribution capability in wood fuels. Forest Fuels also provides AMP with a platform of 20 regional depots on which to seek installations of new biomass boilers in customer locations around its depot sites as well as a number of potential wood chip drying facilities to enable the sale of forced dried wood chip.

AMP continues to develop its small-scale biomass boiler projects which it has been successful in selling to AMP Infrastructure Limited ("AMPIL"). Under the terms of its contract with AMPIL, AMP receives an upfront 10% development fee on each project and when AMPIL Loan Notes are repaid, AMP is entitled to receive 100% of the excess returns in the form of deferred development fees.

AMP also has 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. The next auction for Contracts for Difference is expected to be concluded in the next 9-12 months, we have included further details surrounding the project in note 2(d).

The next phase of the market development is power storage. This is already developing apace and we are active in this market. It currently takes place as standby generation capacity, balancing the grid when the renewable electricity generation is not running in line with demand.

The Directors believe that the Combined Group's strengths in procurement, distribution, logistics, project development, funding and operations will broaden the Group's market and geographical presence across the biomass value chain, the power storage and stand by generation markets, enhancing margins and increasing development opportunities.

AMP is not a technology company, but a project developer. We are agnostic to technology, but have strong conviction in pursuing the strategy of aggregating micro power.

Industry and policy background

The UK heating market for wood chip and wood pellet is estimated by the company to amount to 450,000 tonnes per annum for wood pellet and 700,000 tonnes per year for wood chip based on Renewable Heat Incentive accredited installations. This market has grown more than fourfold in the last two years and is expected to continue to grow driven by the installation of larger biomass plant from the continuation of the Renewable Heat Incentive through to 2020 as confirmed by the Autumn Statement in November 2015.

The Renewable Heat Incentive for accredited installations is for a twenty year duration and the Directors expect good prospects for growth and stability in the market for wood fuels over the coming years.

The UK's drive to decarbonise (the Government has a legally binding target of reducing the UK's greenhouse gas emissions by 80% by 2050 against 1990 levels), is expected to require significant structural changes to the power market, with 8 GW of coal fired generating capacity already decommissioned since 2012 due to the Large Combustion Plant Directive and a further 8 GW to be decommissioned in the next 12 months. This represents 18.8% 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.

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 as has been evidenced by the announcement at the Autumn Spending Review in November 2015 that the Renewable Heat Incentive will be maintained through to 2020;
- The current installed renewable heat capacity in the UK market is 3% with a Government target of 12% by 2020;
- Current and proposed support measures specifically favour the smaller scale, de-centralised generation including district heating mains and industrial heat users which the AMP Group is targeting;

Strategic Report continued

- 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 wood pellet and forced dried wood chip is growing rapidly and is strongly supported by RHI Regulations. From January 2013 to January 2016 the installed capacity of RHI accredited biomass boilers grew from 175 MW to 2,270 MW.
- 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.

AMP Group objectives and KPIs for 2016 are as follows:

- Aim to be the market leader in wood fuels retailing (wood pellet and wood chip) via a combination of organic growth and targeted acquisitions;
- Grow pipeline of biomass boiler developments and existing boiler acquisitions generating development fees and future carried interest from AMPIL Loan Note issuance;
- Generate development fees and future carried interest from larger scale development projects, energy storage and from the capacity market where it makes commercial sense to do so;
- Supplement AMP's cash resources with additional new funding from one or a combination of: the issue of new Ordinary Shares for cash; the issue of new Convertible Notes; the refinancing of existing assets; raising project finance from third party providers; asset financing of core items of equipment; or any other compelling financing mechanism where the Directors consider doing so to be in the best interests of the company and its Shareholders.

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 the extent of exposure and financial commitment prior to successful planning approvals.
Environment Agency/ Health and Safety risks	Industrial sites have potential exposure to environmental and Health and Safety ('H&S') issues. Health and Safety risk assessment has been undertaken, and relevant policies are in place. Health and Safety review is given priority at management meetings and Board Meetings. Staff training is provided as appropriate.
Tax compliance risk	Tax computations, VAT computations and PAYE are outsourced to a professional service provider.

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 page 4.

Results

Results for the year are set out in the Consolidated Statement of Comprehensive Income on page 15 and in the Consolidated Statement of Changes in Equity on page 17.

Directors

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

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) and FRS 102. 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					
	2015			2014		
Director	**Salary**	**Other benefits**	**Total**	**Salary**	**Other benefits**	**Total**
Neil Eckert	205,000	3,236	208,236	200,000	2,525	202,525
Richard Burrell*	102,500	20,500	123,000	100,000	20,000	120,000
Mark Tarry	139,752	15,576	155,328	123,654	14,531	138,185
Sir Laurence Magnus	25,000	—	25,000	25,000	—	25,000
Sir Brian Williamson	15,000	—	15,000	15,000	—	15,000
The Rt. Hon. Sir Nicholas Soames	15,000	—	15,000	15,000	—	15,000
Total	**502,252**	**39,312**	**541,564**	**478,654**	**37,056**	**515,710**

* In addition consultancy services to the Group under a consultancy agreement between AMP Energy Services Limited and Mathieson Capital Investment Management Limited were also provided during the year. Mr Burrell has a significant interest in Mathieson Capital Investment Management Limited. The fee for these services was £102,500.

Directors' interests

The following Directors held shares in the company as at 31 December 2015

Neil Eckert[1]	7,454,000
Richard Burrell[2]	2,730,000
Mark Tarry	230,000
Sir Laurence Magnus[3]	175,000
Sir Brian Williamson[4]	100,000
The Rt. Hon. Sir Nicholas Soames	50,000

1 Neil Eckert also owns £795,000 nominal of Convertible Notes as at 30 March 2016 following the acquisition of Forest Fuels

2 30,000 shares held by Mathieson Capital Fund Management LLP an entity owned by Richard Burrell

3 Sir Laurence Magnus also owns £31,250 nominal of Convertible Notes as at 30 March 2016 following the acquisition of Forest Fuels

4 Sir Brian Williamson also owns £20,000 nominal of Convertible Notes as at 30 March 2016 following the acquisition of Forest Fuels

Directors' Report continued

Dividend

No dividend is recommended to be paid in respect of the 2015 financial year (2014: nil).

Events after the reporting period

Note 25 to the accounts sets out details of any important events affecting the company or its subsidiaries since 31 December 2015.

Financial instruments

Note19 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 8.

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 29 June 2016 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 pay due regard to the UK Corporate Governance Code insofar as is practicable given its size and nature.

Constitution of the board

During the year there were seven full board meetings, two meetings of the Audit Committee and one meeting of the Remuneration Committee. 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

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.

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

The Audit Committee met once during 2016 to review and approve the 2015 Report and Accounts. The Chair of the Audit Committee also held a private discussion with the auditor as part of the preparation of the audit.

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

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

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

Corporate Governance continued

Attendance at meetings

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

Sir Laurence Magnus	(6/7)
Sir Brian Williamson	(6/7)
The Rt. Hon. Sir Nicholas Soames	(3/7)
Neil Eckert	(7/7)
Richard Burrell	(7/7)
Mark Tarry	(7/7)

There were two meetings of the Audit Committee during 2015 which were attended by all members. The Audit Committee's meeting in 2016 to review and approve the 2015 Report and accounts was also attended by all members. The Remuneration Committee meeting was attended by all members.

Bribery Act compliance

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

Matters reserved for the Board

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

Relations with shareholders

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

Independent 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 2015 which comprise the consolidated statement of comprehensive income, consolidated and company statement of financial position, the consolidated and company statement of cash flows, the consolidated statement of changes in equity and the related notes. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2015 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

29 June 2016

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

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2015

	Note	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Continuing operations			
Revenue	4	1,125,394	252,973
Cost of sales		(848,844)	(113,801)
Loss on write-down of Inventory	12	(390,122)	—
Gross (Loss)/profit		**(113,572)**	**139,172**
Other operating income	5	65,000	11,667
Administrative expenses – Head office	7	(2,234,060)	(2,162,101)
Administrative expenses – Low Plains	7	(1,143,372)	(1,090,935)
Total administrative expenses before exceptional items		**(3,312,432)**	**(3,241,369)**
Loss from operations before exceptional items		**(3,426,004)**	**(3,102,197)**
Impairment loss	11	(5,354,918)	(2,224,661)
Aborted development expenses	11,12	(182,336)	—
Fair value adjustment on deferred consideration	23	1,822,078	(624,603)
Total exceptional items		**(3,715,176)**	**(2,849,264)**
Total administrative expenses after exceptional items		**(7,027,608)**	**(6,090,633)**
Loss from operations	6	**(7,141,180)**	**(5,951,461)**
Finance income		13,230	9,788
Finance expense	9	(73,387)	(97,057)
Loss before tax		**(7,201,337)**	**(6,038,730)**
Tax credit	10	—	493,470
Loss for the year from Continuing operations		**(7,201,337)**	**(5,545,260)**
Loss on discontinued operations, net of tax		**—**	**(4,999)**
Loss and total other comprehensive loss for the period		**(7,201,337)**	**(5,550,259)**
Earnings per share attributable to the ordinary equity holders of the parent			
Continuing and discontinued operations basic (Pound Sterling)	24	(28.0)	(27.2)
Continuing operations basic (Pound Sterling)	24	(28.0)	(27.2)

The notes on pages 19 to 37 form an integral part of these financial statements

Consolidated Statement of Financial Position

As at 31 December 2015

	Note	31 December 2015 £	31 December 2014 £
Non-current assets			
Property, plant and equipment	11	2,581	5,050,491
Total non-current assets		**2,581**	**5,050,491**
Current assets			
Inventories	12	138,465	347,543
Trade and other receivables	13	1,248,416	957,927
Tax assets	10	—	439,322
Cash and cash equivalents	14	675,936	4,727,078
Total current assets		**2,062,817**	**6,471,870**
Total assets		**2,065,398**	**11,522,361**
Current liabilities			
Trade and other payables	15	551,187	828,766
Loans and borrowings	16	21,880	173,874
Total current liabilities		**573,067**	**1,002,640**
Non-current liabilities			
Loans and borrowings	16	755,342	759,317
Deferred Consideration	23	51,732	1,873,810
Total non-current liabilities		**807,074**	**2,633,127**
Total liabilities		**1,380,141**	**3,635,767**
Net assets		**685,257**	**7,886,594**
Equity attributable to equity holders of the company			
Paid up share capital	17	128,473	128,473
Share premium	17	9,484,658	9,484,658
Merger reserve		6,648,126	6,648,126
Other reserve		4,546,180	4,546,180
Retained deficit		(20,122,180)	(12,920,843)
Total equity		**685,257**	**7,886,594**

The financial statements were approved by the Directors on 29 June 2016 and signed on their behalf by:

Richard Burrell, Chief Executive Officer

The notes on pages 19 to 37 form an integral part of these financial statements

Consolidated Statement of Changes in Equity

For year ended 31 December 2015

Year ended 31 December 2014	Share capital £	Share premium £	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 loss	—	—	(5,550,259)	—	—	(5,550,259)
Contributions by and distribution 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**

Year ended 31 December 2015	Share capital £	Share premium £	Retained deficit £	Merger reserve £	Other Reserve £	Total £
Equity as at 1 January 2015	128,473	9,484,658	(12,920,843)	6,648,126	4,546,180	7,886,594
Loss for the period	—	—	(7,201,337)	—	—	(7,201,337)
Total comprehensive loss	—	—	(7,201,337)	—	—	(7,201,337)
Equity as at 31 December 2015	**128,473**	**9,484,658**	**(20,122,180)**	**6,648,126**	**4,546,180**	**685,257**

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 19 to 37 form an integral part of these financial statements

Consolidated Statement of Cash Flows

For year ended 31 December 2015

	Note	31 December 2015 £	31 December 2014 £
Operating activities			
Loss for the period after tax		(7,201,337)	(5,550,259)
Adjustments for:			
Impairment loss	11	5,354,918	2,224,661
Impairment of inventory		390,122	—
Aborted development expenses		182,336	—
Tax credit	10	—	(493,470)
Interest Income		(13,230)	(9,788)
Fair value adjustment on financial liabilities at fair value through profit and loss	23	(1,822,078)	624,603
Gain on disposal of subsidiary		—	(6,699)
(Profit)/Loss on disposal of FA		(1,013)	30,999
Interest paid	9	73,387	97,057
Depreciation of property, plant and equipment	11	128,164	27,095
Cashflows from operating activities before changes to working capital		(2,908,731)	(3,055,801)
Movement in foreign exchange		1,044	7,074
(Increase)/decrease in inventories		49,872	(335,240)
(Increase)/decrease in trade and other receivables		122,124	(492,445)
Increase/(decrease) in trade and other payables		(441,850)	449,470
		(268,810)	(371,141)
Cash generated from operations		**(3,177,541)**	**(3,426,942)**
R&D tax credit received		439,322	54,148
Net cash flows from operating activities		**(2,738,219)**	**(3,372,794)**
Investing activities			
Purchase of property, plant and equipment	11	(787,898)	(2,071,635)
Proceeds from sale of assets		99,748	13,750
Proceeds from sale of subsidiary		—	508,458
Loans to third parties		(413,406)	—
Interest received		13,230	9,788
Cash disposed of on sales of subsidiary		—	(1,358)
Net cash used in investing activities		**(1,088,326)**	**(1,540,997)**
Financing activities			
Proceeds from issue of shares		—	10,159,349
Share issue cost		—	(574,137)
Payments of borrowings		—	(250,000)
Payments of interest on borrowings		(219,312)	(29,646)
Payments on financial lease		(5,285)	(6,800)
Net cash used in financing activities		**(224,597)**	**9,298,766**
Net increase in cash and cash equivalents		(4,051,142)	4,384,975
Cash and cash equivalents at beginning of period		4,727,078	342,103
Cash and cash equivalents at end of period		**675,936**	**4,727,078**

The notes on pages 19 to 37 form an integral part of these financial statements

Notes to the Financial Statements

For the year ended 31 December 2015

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

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

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

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.

Notes to the Financial Statements continued

For the year ended 31 December 2015

1 Accounting policies continued

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 2015, 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)
- Annual Improvements to IFRS 2012-2014 Cycle (effective 1 February 2016)
- 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 2018)
- Annual Improvements to IFRSs (2012–2014 Cycle) (effective 1 January 2016)
- IFRS 16 Leases (effective 1 January 2016)
- Amendments to IAS 12 : Recognition of Deferred Tax Assets for unrealised losses (effective 1 January 2017)
- Amendments to IAS 7: Disclosure initiative (effective 1 January 2017).

Revenue recognition

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

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

In circumstances where biomass boiler projects are constructed and commissioned before being sold by the Group, revenues and the costs of sales are recognised gross under IAS 18 when the risks and rewards of ownership transfer. Commissioning is typically defined as the point at which the boiler is run consistently at its generating capacity and or at the point of RHI accreditation.

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

Notes to the Financial Statements continued

For the year ended 31 December 2015

1 Accounting policies continued

***Revenue recognition** continued*

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

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

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.

Financial instruments

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

Notes to the Financial Statements continued

For the year ended 31 December 2015

1 Accounting policies continued

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 shareholder loan, a finance lease, trade and other payables and a provision for deferred consideration. More information is provided in notes 15 and 16.

The Group classifies its financial liabilities as other financial liabilities and at fair value through profit and loss.

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.

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.

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.

1 Accounting policies continued

Deferred taxation

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

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

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

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

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable Group company; or different company entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets and liabilities are expected to be settled or recovered.

Operating Segments

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

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

Foreign currency

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

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.

Notes to the Financial Statements continued

For the year ended 31 December 2015

1 Accounting policies continued

***Share-based payments** continued*

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

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

2 Critical accounting estimates and judgements

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

Judgements and accounting estimates and assumptions

(a) Property, plant and equipment

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

(b) Fair value of deferred 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 23.

(c) Impairment of fixed assets and development costs

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.

Notes to the Financial Statements continued

For the year ended 31 December 2015

2 Critical accounting estimates and judgements continued

(d) Loan receivables

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

3 Segmental information

During the year, the Group's two main operating segments were: biomass gasification CHP at Low Plains including the development of other gasification CHP projects; and, the development and sale of biomass boiler "ESCO" projects. The 1 MW gasification operation at Low Plains was discontinued on the 29 September 2015 and at the year end the Group continued to occupy the Low Plains site and to run two small gasification units and a wood chip sales business. The Group subsequently decided to cease operations on site during 2016 as set out in note 11. The results have been prepared using consistent accounting policies for each segment as detailed in Note 1. This is first year the group has had two distinct operating segments and as such there are no comparatives for 2014.

The performance of each segment is reported below.

Operating segments – 31 December 2015	Gasification projects £	Boiler development £	Total £
Revenue	148,862	976,532	1,125,394
Cost of sales	(586,113)	(652,853)	(1,238,966)
Gross profit	(437,251)	323,679	(113,572)
Other operating income	—	65,000	65,000
Administrative expenses (Low Plains)	(1,017,709)	—	(1,017,709)
Administrative expenses (Central Overheads)	(1,115,780)	(1,115,780)	(2,231,559)
Impairment Loss	(5,354,918)	—	(5,354,918)
Aborted development expenses	(182,336)		(182,336)
Fair value adjustment on deferred consideration		1,822,078	1,822,078
Depreciation	(125,663)	(2,501)	(128,164)
Loss from operations	**(8,233,656)**	**1,092,476**	**(7,141,180)**
Segment assets	1,048,668	1,016,731	2,065,398
Segment liabilities	786,779	593,362	1,380,141
	261,889	**423,369**	**685,257**

The Group was exclusively focused on UK operations

4 Revenue

	Year ended 31 December 2015 £	2014 £
Electricity generation	100,067	46,009
Wood fuel sales	48,795	89,726
Development, Management and Consultancy fees	976,532	117,238
	1,125,394	**252,973**

Notes to the Financial Statements continued

For the year ended 31 December 2015

5 Other operating income

	Year ended 31 December	
	2015 **£**	**2014** **£**
Rental Income	65,000	11,667
	65,000	**11,667**

6 Operating loss

	Year ended 31 December	
	2015 **£**	**2014** **£**
Operating loss is stated after charging:		
Depreciation	128,164	29,351
Auditors remuneration:		
– audit related services	61,000	65,000
– tax advisory and compliance services	70,213	6,177
– All services relating to corporate finance transactions entered into, or proposed to be entered into, by or on behalf of the company or any of its associates (includes £47,270 for IPO costs)	—	56,724
Other IPO costs	—	138,854
Foreign Exchange Loss	1,044	7,074
Operating lease payments	103,867	74,245
Licence to occupy payments	184,500	208,160
	548,788	**585,585**

7 Expenses by nature

	Year ended 31 December	
	2015 **£**	**2014** **£**
Depreciation	128,164	29,351
Staff costs	1,824,306	1,734,182
Licence to occupy charges	184,500	208,160
Operating lease expenses	103,867	74,245
Audit fees	45,000	45,000
IPO costs	—	193,876
Other administrative expenses	1,091,595	968,222
	3,377,432	**3,253,036**

Notes to the Financial Statements continued

For the year ended 31 December 2015

8 Staff costs

	Year ended 31 December	
	2015 £	2014 £
Staff costs (including Directors) comprise:		
Wages and salaries	1,459,167	1,416,025
Social security contributions and similar taxes	183,949	180,377
Defined contribution pension costs	97,099	95,920
Redundancy costs	20,466	—
Other personnel related costs	63,625	41,860
	1,824,306	**1,734,182**
Average number of staff	26	29

Directors' salaries

	Year ended 31 December	
	2015 £	2014 £
Short term employee benefits	502,252	532,404
Payments to Mathieson Capital Investment Management Ltd	102,500	100,000
Total pension and other post-employment benefit costs	39,312	44,212
	644,064	**676,616**

Highest paid Director:

	Year ended 31 December	
	2015 £	2014 £
Short term employee benefits	205,000	200,000
Total pension and other post-employment benefit costs	20,500	2,525
	225,500	**202,525**

Key management personnel are all the Directors of the company.

9 Finance expense

	Year ended 31 December	
	2015 £	2014 £
Interest expense	73,387	97,057
	73,387	**97,057**

Notes to the Financial Statements continued

For the year ended 31 December 2015

10 Taxation

	Year ended 31 December	
	2015 **£**	**2014** **£**
Current tax credit	—	493,470
Deferred tax expense	—	—
Total tax credit	—	493,470
Loss for the year	(7,201,337)	(6,038,730)
Profit on sale of subsidiary	—	(4,999)
Losses per operations	**(7,201,337)**	**(6,043,729)**
Expected tax charge based on the standard rate of corporation tax at the domestic rate of 20.25% (2014: 21.50%)	(1,458,270)	(1,299,401)
Expenses not deductible for tax purposes	1,233,913	481,670
(Gains)/loss not taxable	(369,176)	134,160
Capital allowances in excess of depreciation	—	410,853
Differences in tax rates	—	(48,495)
Unprovided losses carried forward	593,533	689,882
R&D tax credit received	—	124,802
Total credit	**—**	**493,470**

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 twelve-month period following the year end losses carried forward to be utilised against future profits of £11,719,711 (2014: £9,753,103). Deferred tax unrecognised at the end of the year amounts to £2,109,548 (2014: £1,755,559). The deferred tax rate for 31 December 2015 is 18% being the substantively enacted rate at the end of the year.

The main rate of UK corporation tax has decreased from 21% to 20% from 1 April 2015, resulting in an effective corporation tax rate of 20.25% for this accounting period. This will further reduce to 19% from 1 April 2017 and 18% from 1 April 2020. This change has been substantively enacted before the reporting date.

Notes to the Financial Statements continued

For the year ended 31 December 2015

11 Property, plant and equipment

	Assets Under Construction £	Farm & Upgrade £	Plant & Machinery £	Computer Equipment £	Motor Cars £	Total £
Cost						
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)
Transfer	(399,757)	—	396,424	—	3,333	—
As at 31 December 2014	**7,130,710**	**—**	**147,510**	**3,120**	**38,000**	**7,319,340**
Additions for the period	301,481	16,532	468,377	1,508	—	787,898
Transfer	(7,031,723)	6,889,762	141,961	—	—	-
Reclassification *	(253,741)	—	—	—	—	(253,741)
Disposals for the period	(98,987)	—	—	—	—	(98,987)
As at 31 December 2015	**47,740**	**6,906,294**	**757,848**	**4,628**	**38,000**	**7,754,510**
Depreciation						
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
Adjustment/Impairment	2,224,661	—	—	—	—	(2,224,661)
Disposal for the period	—	—	(2,257)	—	(16,347)	(18,604)
As at 31 December 2014	**2,224,661**	**—**	**35,235**	**1,985**	**6,968**	**2,268,849**
Transfer	(2,224,661)	2,224,661	—	—	—	—
Charge for the period	—	91,058	28,595	911	7,599	128,164
Adjustment/impairment	47,740	4,590,575	693,169	—	23,433	5,354,918
As at 31 December 2015	**47,740**	**6,906,294**	**756,999**	**2,896**	**38,000**	**7,751,929**
Net book value						
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
As at 31 December 2015	**—**	**—**	**849**	**1,732**	**—**	**2,581**

* Reclassification relates to Gasification assets which are now included in work in progress at year end, following Management's decision to become a developer.

Impairment of Low Plains

Following the decision to close the 1MW gasification plant at Low Plains which occurred in the Autumn of 2015 and the subsequent decision after year end to cease operations at Low Plains and transfer the remaining assets to the Landlord in exchange for the termination of the lease for no cost, the Directors have decided to write off all the assets at Low Plains. This has resulted in an impairment of £5,354,918 and a further expense of £50,922 has been recognised for committed development costs incurred at Low Plains post year end.

Notes to the Financial Statements continued

For the year ended 31 December 2015

12 Inventories

	Year ended 31 December	
	2015 £	2014 £
Raw materials and consumables	3,546	15,286
Gasification plants work in progress	50,000	—
Biomass boilers work in progress	84,919	332,257
	138,465	**347,543**

The Directors have decided to write off £385,734 of Work in Progress costs (previously held in Inventory) relating to new gasification developments at Devon and Kent following the decision not to proceed with the project. £4,388 has also been written off in relation to planning costs for a new biomass boiler project at Ringstone Farm which will no longer go ahead.

Furthermore, the Directors have decided to recognise an expense of £131,414 through income statement for additional committed expenses for Hill Barton and Kingsnorth projects.

In summary, total non recurring losses relating to the decision to close Low Plains and exit the gasification business amount to £7,070,748.

Summary of non recurring expenses

	2015 £
Low Plains Impairment	(5,354,918)
Low Plains administration costs including depreciation	(1,143,372)
Aborted development expenses at Low Plains	(50,922)
Aborted development expenses for projects in Devon and Kent	(131,414)
Write down of development WIP costs	(390,122)
	(7,070,748)

13 Trade and other receivables

	Year ended 31 December	
	2015 £	2014 £
Trade receivables	13,002	75,446
Other receivables	1,023,785	628,555
VAT receivables	—	121,203
Prepayments	145,739	99,506
Accrued income	65,890	33,217
	1,248,416	**957,927**

The value of the trade receivables, which were past due at 31 December 2015, was £5,249. No provision for impairment has been made as management believes all overdue amounts are recoverable.

14 Cash and cash equivalents

	Year ended 31 December	
	2015 £	2014 £
Cash at bank and hand	675,936	4,727,078
	675,936	**4,727,078**

For the year ended 31 December 2015

15 Trade and other payables

	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Trade payables	177,521	546,630
Accruals	95,492	206,668
Other payables	193,179	10,843
VAT payables	44,149	—
Employment tax and social security	40,846	64,625
	551,187	**828,766**

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

16 Loans and borrowings

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	2,028	6,088	19,086	—
	167,786	**6,088**	**759,317**	**—**

31 December 2015

	0-3 months £	3 months to 1 year £	1 to 5 years £	Over 5 years £
Financial Liabilities				
Shareholders' loan	15,076	—	740,231	—
Other loan – finance lease	1,657	5,147	15,111	—
	16,733	**5,147**	**755,342**	**—**

The fair value of non-current liabilities are not materially different to their carrying value.

17 Share capital

31 December 2014

	No of shares (Authorised/ Issued) Nos.	Issued capital £	Share premium £
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
Cost of Issue	—	—	(271,702)
As at 31 December 2014	**25,694,502**	**128,473**	**9,484,658**

Notes to the Financial Statements continued

For the year ended 31 December 2015

17 Share capital continued

31 December 2015

	No of shares (Authorised/ Issued) Nos.	Issued capital £	Share premium £
Ordinary Shares of £0.005 each			
As at 1 January 2015	25,694,502	128,473	9,484,658
As at 31 December 2015	**25,694,502**	**128,473**	**9,484,658**

18 Subsidiaries

As at 31 December 2015, 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 *	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.

The Group is exposed to the following financial risks:

- Credit risk
- Liquidity 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

Notes to the Financial Statements continued

For the year ended 31 December 2015

19 Financial instruments continued

	Loans and receivables	
	2015 £	2014 £
Current financial assets		
Trade receivables	13,002	75,446
Cash and cash equivalents	675,936	4,727,078
Other receivables	1,089,675	661,772
	1,778,613	**5,464,296**

	Financial liabilities measured at amortised cost		Financial liabilities at fair value through profit and loss	
	2015 £	2014 £	2015 £	2014 £
Current financial liabilities				
Trade Payables	177,521	546,630	—	—
Accruals and Other Payables	288,671	217,511	—	—
Obligation under finance lease	6,804	8,116	—	—
Loans	15,076	165,758	—	—
	488,072	**938,015**	**—**	**—**
	2015 £	2014 £	2015 £	2014 £
Non-current financial liabilities				
Deferred contingent consideration	—	—	51,732	1,873,810
Obligation under finance lease	15,111	19,086	—	—
Loans	740,231	740,231	—	—
	755,342	**759,317**	**51,732**	**1,873,810**

Financial instruments measured at fair value

The Group only has one financial instruments 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 23.

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 2015 the Group had trade receivables of £13,002 (2014: £75,446).

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:

Notes to the Financial Statements continued

For the year ended 31 December 2015

19 Financial instruments continued

	Year ended 31 December	
	2015 £	2014 £
Cash Balances	675,936	4,727,078
Trade and other receivables	1,248,416	1,397,249
	1,924,352	**6,124,327**

The Directors are unaware of any factors affecting the recoverability of outstanding balances at 31 December 2015 and 2014 and consequently no further provisions have been made for bad and doubtful debts.

Trade and other receivables are measured at 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 2015.

Liquidity risk

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

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

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 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 lease payments – land and buildings

	Year ended 31 December	
	2015 £	2014 £
Not more than one year	171,486	124,113
Later than one year and not later than five years	403,000	242,306
Later than five years	1,499,940	938,750
	2,074,426	**1,305,169**

Notes to the Financial Statements continued

For the year ended 31 December 2015

21 Financial lease payments

	Year ended 31 December	
	2015 £	2014 £
Not more than one year	6,804	8,116
Later than one year and not later than five years	15,111	19,084
Later than five years	**21,915**	**27,200**

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 £102,500 (2014: £100,000) 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 £34,500 (2014: 36,000) per year.

Neil Eckert, Executive Chairman of the Group, has a loan outstanding to the Group at the year end of £755,307 (2014: £905,989) which includes the interest of £15,076 (2014: £165,758).

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 £51,732, of which £34,488 is allocated to Neil Eckert and £17,244 to Mathieson Capital LLP. More details can be found in note 23.

23 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.

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

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

The derived contingent value of all 3,999,999 options has been calculated at £51,732, allocated £34,488 to Neil Eckert and £17,244 to Mathieson Capital LLP. The valuation was based on an assumed volatility of 20% which is in line with the observed volatility of other traded companies in the Group's sector peer group and is higher than the volatility seen in the Group's share price since admission to AIM.

Notes to the Financial Statements continued

For the year ended 31 December 2015

23 Deferred contingent consideration and employee options continued

In addition to the deferred consideration, 225,000 share options issued under the Group's EMI plan are outstanding at 31 December 2015. 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 2015.

24 Loss per share

	Year ended 31 December	
	2015 £	2014 £
Loss attributable to equity holders of the company	**(7,201,337)**	**(5,550,259)**
Weighted average number of shares	25,694,502	20,370,996
Continuing operations basic (Pence)	**(28.0)**	**(27.2)**

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.

25 Events after the reporting period

The Group has earned development fees of £148,904 in 2016 from the sale of seven biomass boiler projects to Aggregated Micro Power Infrastructure Limited. It has collected £609,960 owed to it from a former employee and has received a tax credit of £169,680 in connection with R&D activities carried out at Low Plains.

On 30 March 2016, the Group also completed on the acquisition of Forest Fuels Holdings Limited for an initial consideration of £2,815,000 plus up to 2,500,000 Ordinary Shares in performance-related deferred consideration, of which 1,000,000 Ordinary Shares are linked to the same TSR conditions set out above in note 23 and 1,500,000 Ordinary Shares are linked to the average EBITDA of Forest Fuels in the two financial periods ending (i) 31 December 2016 and 31 December 2017; and, (ii) 31 December 2017 and 31 December 2018. Given the latest valuation outcome of Neil Eckert's and Richard Burrell's deferred consideration the Directors believe that the value of the TSR element of Forest Fuels' deferred consideration is immaterial at this stage and that a formal valuation at this time is unnecessary.

The acquisition was funded from the issue of £4.07m Convertible Loan Notes (which included the effective conversion of a £740,231 existing director loan into Convertible Notes and subscriptions for Convertible Notes by two of the Sellers of Forest Fuels for an aggregate nominal amount of £500,000) and the placing of 3,190,000 Ordinary Shares at 54 pence per Ordinary Share. The balance of proceeds will be used for growth working capital.

In their filed statutory unaudited consolidated accounts for the year to 31 March 2015, Forest Fuels delivered turnover of £7.3 million and profit before tax of £160,558, and as at 31 March 2015, Forest Fuels had a net asset value of £458,537.

25 Events after the reporting period continued

The unaudited provisional balance sheet for Forest Fuels as at 31 March 2016 (i.e. the day immediately following the acquisition) showed a Net Asset value of £1,073,956 resulting in a goodwill asset for the Group of £1,741,044. Given the short amount of time since the acquisition, the Directors have not yet completed their assessment of the fair values of the assets acquired. The provisional balance sheet for Forest Fuels is as follows:

Forest Fuels Holding Limited unaudited provisional balance sheet	31 March 2016 £
Non current Assets	1,304,144
Current Assets	3,500,721
Total Assets	**4,804,865**
Current Liabilities	3,525,774
Non Current Liabilities	205,135
Total Liabilities	**3,730,909**
Net Assets	**1,073,956**

Finally an additional 200,000 EMI options were awarded to AMP staff, of which 125,000 were issued to Mark Tarry, on 9 March 2016.

Company Statement of Financial Position

For the year ended 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Investments	29	55,004	55,004
Total non-current assets		**55,004**	**55,004**
Current assets			
Debtors: Amounts falling due within one year	31	34,911	9,460,105
Cash		243,662	4,670,826
Total current assets		**278, 573**	**14,130,931**
Current liabilities			
Trade and other creditors	32	51,105	55,853
Total current liabilities		**51,105**	**55,853**
Net current assets		**227,468**	**14,075,078**
Net assets		**282, 472**	**14,130,082**
Equity attributable to equity holders of the company			
Paid up share capital	17	128,473	128,473
Share premium account	17	9,484,658	9,484,658
Other reserve		4,546,180	4,546,180
Retained earnings		(13,876,839)	(29,229)
Total equity		**282,472**	**14,130,082**

The notes on pages 41 to 42 form part of these company financial statements. The company financial statements were authorised for issue by the board of Directors on 29 June 2016 by:

Richard Burrell, Chief Executive Officer

Company Statement of Changes in Equity

For the year ended 31 December 2015

Year ended 31 December 2014	Share capital £	Share premium £	Other Reserve £	Retained deficit £	Total £
Equity as at 1 January 2014	77,687	4,496,412	—	(288,872)	4,285,227
Profit for the period	—	—	—	259,643	259,643
Total comprehensive Income	—	—	—	(29,229)	4,544,870
Contributions by and distribution 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)
Equity as at 31 December 2014	**128,473**	**9,484,658**	**4,546,180**	**(29,229)**	**14,130,082**

Year ended 31 December 2015	Share capital £	Share premium £	Other Reserve £	Retained earnings £	Total £
Equity as at 1 January 2015	128,473	9,484,658	4,546,180	(29,229)	14,130,082
Loss for the period	—	—	—	(13,847,610)	(13,847,610)
Total comprehensive loss	—	—	—	(13,847,610)	282,472
Equity as at 31 December 2015	**128,473**	**9,484,658**	**4,546,180**	**(13,876,839)**	**282,472**

Share capital: Nominal value of shares issued.

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

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

Other reserve: Amount raised through the use of a cashbox structure.

Company Statement of Cash Flows

For the year ended 31 December 2015

	Note	31 December 2015 £	31 December 2014 £
Cash flows from operating activities			
Profit/(loss) for the financial year		(12,025,532)	259,643
Adjustments for:			
Interest income		(1,525,286)	(762,498)
Impairment loss		15,066,113	—
Fair value adjustment on financial liabilities at fair value through profit and loss		(1,822,078)	—
(Increase)/decrease in trade and other debtors		46,359	(64,559)
Increase/(decrease) in trade and other creditors		(4,748)	(192,080)
Net cash used in operating activities		**(265,172)**	**(759,494)**
Cash flow from investing activities			
Receipt of interest on bank deposit		12,933	9,788
Loan to group undertakings		(4,174,925)	(4,407,952)
Net cash used in investing activities		**(4,161,992)**	**(4,398,164)**
Cash flows from financing activities			
Proceeds from issues of shares		—	10,159,349
Share issue cost		—	(574,137)
Net cash flow from financing activities		**—**	**9,585,212**
Net increase/(decrease) in cash and cash equivalents		(4,427,164)	4,427,554
Cash and cash equivalents at beginning of year		4,670,826	243,272
Cash and cash equivalents at end of period		**243,662**	**4,670,826**

The Notes on pages 41 to 42 form part of these company financial statements.

Notes to the Company Balance Sheet

For the year ended 31 December 2015

26 Accounting policies

The financial statements of the company for the year ended 31 December 2015 have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland issued by the Financial Reporting Council. These are the company's first set of financial statements prepared in accordance with FRS 102, there were no transitional adjustment on transition to FRs 102.

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

Investments in subsidiary undertakings

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

Deferred tax

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

Financial assets

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

Financial liabilities and equity

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

27 Employees

The company had no direct employees in 2015. No costs of employment were recharged to the company in 2015.

28 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: £55,000) from the company in 2015. The executive Directors are employed and paid out of AMP Energy Services Limited, which is a wholly owned subsidiary of the company. The non-executive Directors are paid directly by the company.

Key management personnel are all the Directors of the company.

29 Investments

	Year ended 31 December	
	2015 **£**	**2014** **£**
Cost and net book value at December 2014 and 2015	55,004	55,004

Notes to the Company Balance Sheet continued

For the year ended 31 December 2015

30 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.

31 Debtors

	Year ended 31 December	
	2015 £	**2014 £**
Debtors: Amounts falling due within one year		
Prepayments	30,943	40,725
Other debtors	3,968	40,637
Amounts owed by group undertakings	—	9,378,473
	34,911	**9,460,105**

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

32 Creditors: amounts falling within one year

	Year ended 31 December	
	2015 £	**2014 £**
Trade creditors due within 1 year	51,105	55,853
	51,105	55,853

The company is not publishing a separate profit and loss account, as permitted by Section 408 of the Companies Act 2006. The loss for the financial year of the parent undertaking dealt with in the Group financial statements was £13,661,550 (2014: Profit £259,643).

33 Financial and capital commitments

The company had no financial or capital commitments at 31 December 2015.

34 Contingent consideration

For details of contingent consideration see note 23, contingent consideration is only recognised when it is almost certain it will be paid and the balance can be reliably estimated.

Shareholder Notes

Shareholder Notes

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