Aggregated Micro Power Holdings plc

Audited Report and Financial Statements

For the year ended 31 March 2019

Registration number: 08372177

Aggregated Micro Power Holdings plc

Company Information

Directors	Neil Eckert Richard Burrell Mark Tarry Sir Laurence Magnus Sir Brian Williamson The Rt. Hon. Sir Nicholas Soames Robert Bland DL
Company Secretary	Lauren Paton
Registered Number	08372177
Registered Office	3rd Floor, 1 Dover Street London W1S 4LD
Auditors	BDO LLP 55 Baker Street London W1U 7EU
Accountants	EPE Administration Limited Audrey House 16-20 Ely Place London EC1N 6SN
Bankers	Natwest 135 Bishopsgate London EC2M 3UR

Aggregated Micro Power Holdings plc

Executive Chairman's Statement

This year has been a year of contrasts: a very disappointing twelve months in wood fuels; but a strong out-performance in project development and continued progress from IncubEx, in which AMP holds a 29.08% investment.

The challenging year in wood fuels was impacted by the warm weather, rising fibre prices, adverse FX movements and certain loss making fixed price customer contracts. During the period, we were also implementing a planned but significant restructuring in wood fuels to integrate previously acquired businesses into a single management, operational and brand platform. With new management now in place, a number of issues came to our attention at the end of the financial year relating to stock in our depots, which has led to a significant restatement of last year's accounts and a reduction in stock balances impacting the reported retained earnings as at 31 March 2018. These issues are now firmly behind us and we have a much improved sales and finance function together with a more optimal fleet of vehicles.

On the other hand, our project development business has had a very strong year and we have created a market-leading position in flexible generation under the Urban Reserve brand. We have increased our targets for this forthcoming year in Urban Reserve and we have a number of parties who have expressed an interest to finance our increasing portfolio of Urban Reserve assets.

Following the year end in early May 2019, Aggregated Micro Power Infrastructure 2 plc ("AMPIL") secured further funding of £15.1m to enable it to finance the initial tranche of Urban Reserve projects and to purchase more clean energy assets in biomass and roof-top solar. This fund now has £67.1m of outstanding bonds and is increasingly reaching institutional scale.

In addition to the future deferred development fees that may be due from AMPIL as a result of the projects that have been financed, there is potential future upside in the valuation of AMP's 29.08% interest in IncubEx. IncubEx is an incubator for exchange traded products, services and technology solutions. It works in conjunction with its global exchange partner European Energy Exchange (EEX) to design and develop new financial products in the global environmental, reinsurance and related commodity markets. Incubex is growing rapidly in Europe and has recently announced the roll out of a suite of North America products in partnership with Nodal, EEX's US Power Exchange.

At a macro level we see the beginnings of a decoupling of the electricity market into a market for energy increasingly supplied by renewables (estimated to be more than 58% by 2050), and a market for flexibility supplied by dispatchable gas plant, battery storage and demand side response. We also see significant changes taking place on the demand side, driven by the electrification of heat, transport and industrial automation in buildings. These changes are likely to put significant pressure on electricity networks, particularly the lower voltage distribution networks where there is most demand from users. This will require smarter more flexible networks where energy flows are managed more locally. It will also require the Distribution Network Operators (DNOs) to either invest in their networks or defer network reinforcement by procuring flexible generation from third party operators like ourselves.

AMP's strength lies in its ability to develop, operate and aggregate small-scale assets and in doing so, deliver energy close to the point of consumption, where and when it is needed most. As the push for decarbonisation intensifies, the balance of power in the energy sector is gradually shifting from large transmission connected power plant towards smaller plants connected on distribution networks both in "front" and "behind" the meter where distribution losses can be minimised, network reinforcement can be avoided and heat can be more usefully used.

AMP is a business that now spans the small scale renewable heat and power sector, can cross sell products and services to a customer base of over 4,000 boiler systems, is vertically integrated in the biomass space covering fuel supply, operation & maintenance and installation and financing. It is a business with a project development division which covers renewable heat, flexible generation and a wide range of small-scale clean energy solutions which can be provided to our significant customer base.

It only remains for me to thank our hardworking non-executive directors and executive management team. I look forward to reporting further progress due course.

N. D. Eckert

Neil Eckert
Executive Chairman
30 September 2019

Aggregated Micro Power Holdings plc

Strategic Report

In the year to 31 March 2019, group revenues increased by 14.5% to £49.5m (2018: £43.2m restated), gross profit was £10.8m (2018: £5.1m restated), loss from operations decreased to £4.4m (2018: loss of £1.4m restated) and loss after tax was £5.7m (2018: loss of £2.5m restated). Cash flow from operations used was £9.5m (2018: cash flow generated £3.0m restated).

The segment performance on an adjusted basis is disclosed in Note 3.

Net assets as at 31 March 2019 increased to £24.1m (2018: £13.7m restated). The balance sheet does not include any recognition for future deferred development fees that may be due from Aggregated Micro Power Infrastructure 2 plc ("AMPIL").

The Company engaged in multiple acquisitions over the course of the financial years ending 2017 and 2018 which has resulted in significant exceptional and non-recurring expenses incurred during the natural process of integrating and restructuring the wood fuel business segment over the last 24 months. These exceptional and non-recurring expenses are disclosed in the Income Statement as non-underlying items in order to give the users of these financial statements a clearer understanding of the normalised operational performance as well as to provide relevant comparatives for the forthcoming financial year.

All comparative figures in the remainder of this Strategic Report relate to the restated accounts for the year ended 31 March 2018.

Prior period restatement

During the last two years, the Wood Fuels business underwent a transformative restructuring to bring all operations into a single management and brand platform which has further consolidated its market leading position. This has resulted in significant non-recurring costs from depot closures, office relocations, redundancies and stock revaluations; all of which has been expensed through the profit and loss account.

During the year, we also replaced the senior management in the fuels business and following the appointment of the new finance director in the fuels business at the start of 2019, we conducted an in-depth company-led review into prior period stock balances which included the level of accruals and the accounting for goods received not invoiced.

This review has concluded that, stock as at 31 March 2018 had been overstated due to the systems incorrectly accounting for stock movements around the 2018 year end with certain costs incorrectly being capitalised and, in addition, the closure of several depots as part of the restructure not being accurately reflected on the balance sheet. This arose due to multiple stock management systems and specific challenges of those acquired companies not operating in unison during the busy trading period known as the "Beast from the East". Also during this period, there were a number of purchases which were incorrectly accounted for due to a back-log in processing leading to an understatement of accruals and goods received not invoiced.

The aggregate adjustment to Retained Earnings as at 31 March 2018 was a negative impact of £4.4m. This restatement is fully described in Note 33.

The restatement relates to issues pertaining to the previous financial year. This means that the restated audited accounts for the 12 months to 31 March 2018 have been adjusted and that there is no adverse effect on the profit and loss for the year to 31 March 2019.

Following this review there is an increased focus on operational controls and systems relating to stock management and invoicing and corrective action has been taken.

AMP Clean Energy Group strategy

AMP Clean Energy's mission is to help UK businesses unlock the potential of decentralised, low carbon energy which supports the UK's transition to a low carbon economy.

AMP develops, finances and manages small-scale distributed energy projects with a focus on biomass heat and flexible electricity generation sites under its Urban Reserve brand. AMP is vertically integrated offering wood fuel supply and O&M services. It has an active development business with current opportunities in developing Urban Reserve sites, biomass heat projects and CHP. It has the intention to further increase the scope of the platform to new areas including waste heat recovery and behind the meter solar.

AMP reports its results through three business segments: Wood Fuels (including O&M); Project Development; and HQ & Investments. Note 3 sets out in detail the earnings relating to the three individual business segments and provides a breakdown of the adjusted EBITDA by business segment which is the metric used by the Directors to compare the underlying performance.

Wood Fuels

Revenues from this segment were £43.6m (2018: £40m) and the adjusted EBITDA loss was £3.04m (2018: £2.5m loss).

Profits from the Wood Fuels segment have been impacted by significantly warmer weather during the financial year and particularly during February and March 2019. At the same time the Wood Fuels business was exposed to a number of loss making fixed price customer contracts which were set when fiber prices were lower and there was a more favorable foreign exchange rate.

At the same time, the business has undertaken a planned restructuring to bring all operations into a single management and brand platform which has further consolidated its market leading position. This has resulted in significant non-recurring costs from depot closures, fleet rationalization, office relocations, redundancies and stock revaluations; all of which has been expensed through the profit and loss account. Additionally, a number of loss making heat supply contracts with the Mi-Generation customer base were terminated during the year resulting in an impairment of £0.5m.

AMP Clean Energy sells high quality, RHI compliant, wood chip and wood pellet to end customers throughout the UK in the form of fuel only contracts, heat contracts and/or fuels plus operation and maintenance. AMP sells fuel to around 4,000 boiler systems and provides service and maintenance to over 950 biomass systems via AMP's majority interest in Highland Wood Energy Limited ("HWE").

Project Development

Revenues from this segment increased by 88% to £6.0m (2018: £3.2m) and adjusted EBITDA increased to £3.1m (2018: £1.2m) following the sale of one SPV relating to a grid balancing project in the form of revenue.

Under the Urban Reserve projects team, AMP developed gas-fired peaking plants which provide flexible generation at times of peak demand. Development of Urban Reserve plants were increasingly concentrated on smaller sites in areas of high electricity demand in industrial and urban areas. These sites can be connected to the distribution network at lower voltage levels in areas where grid constraints offer significant system benefits in terms of avoided grid reinforcement costs and will potentially support the anticipated growth in electric vehicles and the electrification of heat.

AMP develops small scale peaking plants (2.0MW-6MW) fuelled by natural gas and are dispatchable remotely and on demand. Due to their size and flexibility, our plants branded as Urban Reserve, can respond to the same price volatility as larger peaking plant but because they are smaller they can connect to the lower voltage networks (11kV and below) where most demand side users are connected. They therefore benefit from credits ("known as GDUOS") paid by the DNOs for generating during peak times and in addition can participate in the flexibility auctions which are becoming a more common place as a way of DNOs procuring flexibility and deferring network reinforcement. In June 2019, we arranged for an Urban Reserve project to sign a 5-year contract with UKPN to provide flexibility between November and February, Monday to Friday between 5pm and 7pm. The project will be paid an availability payment and a utilisation payment when called upon to generate.

The typical footprint of an Urban Reserve project was between 3,500-5,000 ft^2 which means that our plant can be located in industrial estates on land that might not otherwise have any value, making them an interesting proposition to landlords. We will also offer landlords and their tenants the opportunity to buy power and heat directly, where economically advantageous to do so.

Being small provides significant revenue opportunities but presents the challenge of scaling: the need to develop and then run multiple projects with equal rigour for the same cost per MW as larger projects. We believe we were uniquely placed to scale this business because of the development approach we have developed over the years which is highly data and software driven and replicable wherever possible. Technology platforms and software also enable multiple engines across multiple sites to be operated at the same time, as if they were all located on the same site. Finally, our nationwide Operation and Maintenance capability developed in the wood fuels business, will be utilised to service our engines across different locations.

AMP also aims to deliver cost and carbon savings to high intensity heat and power users through its specialist industrial renewables development team. AMP's strategy is to develop, manage and facilitate financing of distributed energy projects focusing on biomass heat and power and in due course, waste heat recovery to reduce on-site, behind the meter, electricity costs. AMP's strategy is to work with project developers and third-party infrastructure vehicles to generate a wide range of development fees from different projects. AMP sources projects from various introducers and installers and works with the customer account managers in its wood fuels business to offer all our customers a range of clean energy solutions which includes the ability for biomass boiler owners to sell their boilers in exchange for a heat supply contract.

HQ & Investments

There were no revenues generated from the HQ & Investments Division during the 12 months to 31 March 2019 £nil (2018: £nil) and the adjusted EBITDA reflecting group administrative expenses was a loss of £1.6m (2018: £1.7m).

The Investments division takes non-controlling interests in equity investments in companies aligned to our corporate strategy. Also within this segment are head office, PLC costs and the costs of undertaking research and development into new distributed energy opportunities.

AMP has a 29.08% shareholding in IncubEx LLC which is fair valued on the AMP Balance Sheet. As at 31 March 2019, this amounted to £11.4m (31 March 2018: £11.4m). Whilst the business continues to grow its market share in European carbon markets, the Directors believe that it is prudent, given the early stage nature of the business, to keep the balance sheet value unchanged in the absence of a third party transaction for IncubEx shares. The Directors have also undertaken a DCF analysis and have used a prudent approach to the key assumptions to support the unchanged value. A sensitivity analysis is set out in Note 24.

IncubEx is an incubator for exchange traded products, services and technology solutions. IncubEx works in conjunction with its global exchange partner, European Energy Exchange (EEX) and other leading service providers and stakeholders to design and develop new financial products in global environmental, reinsurance, and related commodity markets (e.g. wood pellet). The company has a specific focus on innovation and continuous improvement of products and services, including technology, trading solutions and operational efficiencies.

IncubEx has recently launched the first tranche of North American Environmental products in conjunction with the Nodal Exchange. These products include a range of emission and renewable energy certificate futures and options contracts. The contracts are listed and cleared alongside Nodal Exchange's own existing portfolio of energy products.

Issuance of Ordinary Shares

In October 2018, AMP issued 8,500,000 Ordinary Shares in connection with a placing of £8.5m. The funds raised facilitated AMP in issuing a redemption notice in respect of the £10.01m nominal of 8% Convertible Loan Notes ("CLNs") in the Company. A total of 91% of Noteholders elected to convert £9.13m nominal of CLNs into equity in the Company, creating a further 11,702,811 new Ordinary Shares in the Company. The remaining 9% Noteholder holdings to the value of £0.88m nominal redeemed their CLN's at par. The placing was supported by both existing investors as well as new institutional and private investors.

The remainder of the net proceeds of the placing amounting to £7.2m was used for the Wood Fuels business working capital and investment in growth, Urban Reserve and investment in our service and maintenance business.

The increase in equity and the reduction in debt has considerably strengthened the AMP balance sheet and has reduced the on-going interest costs.

Post period end

In May 2019, AMPIL secured further funding of £15.1m and now has £67.1m of Loan Notes in issue.

Under the terms of its contract with AMPIL, AMP receives an upfront 10% development fee on financial close of 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.

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Industry and policy background

AMP maintains its focus on two main areas within the clean energy industry; first, the decarbonisation of heat, and second; the continued growth of flexible generation in urban areas using small-scale natural gas generators.

The UK's decarbonisation strategy, as set out in the Clean Growth Strategy, relies heavily on the increased electrification of the UK's energy system. The renewable energy sector continues to gain ground, being the fastest growing source of energy, with Imperial College London's research showing that the UK's renewable energy capacity surpassed fossil fuels for the first time in 2018.

Electricity markets are the only markets in the world where the supply and demand of the commodity must be met instantaneously so where supply is unable to meet demand, there will be power shortages. Under National Grid's Future Energy Scenarios (2018) demand for electricity is expected to increase by between 25% to 50% from 2017 levels, driven in large part by the electrification of heat and transport. This will require a doubling of generation capacity because of the intermittent nature of renewables and is likely to create significant pressure on the electricity networks, particularly in areas of high population density.

<u>Decarbonisation of heat:</u>

Decarbonisation of heat is a key feature of the Government's low carbon strategy. Currently only around 6% of heat in the UK comes from renewable sources, putting the UK well behind the EU target of 12% by 2020.

The latest report from the Committee on Climate Change recommended a new target for net zero carbon emissions by 2050. Key to achieving this target is the decarbonisation of heat. Much of the focus is on electrifying heat using heat pumps and other forms of electric heating (e.g. Infra-Red panels), on green gas and on hydrogen. These changes will require significant investments in networks (gas and electricity) and in buildings. They will also take time to implement and in the meantime, we believe Biomass has a very important role to play.

The Renewable Energy Association's report "Bioenergy in the UK – vision to 2032 and beyond" found that the UK could almost triple the use of bioenergy as a source of heat – from the 6% today to 16% by 2032, with biomass a major contributor.

The report found that wood fuels could make a substantially larger contribution to meeting heating needs for buildings and industry, playing a particular role in providing low carbon heating in off gas-grid properties and those where heating via heat pumps is more challenging. It concluded that bioenergy, which uses sustainable biomass and biofuels produced from wood, crops and food wastes, is the lowest cost route to heat decarbonisation, whilst also providing a pathway to the development and commercial deployment of future technologies.

The Government's main tool for decarbonising heat is the Renewable Heat Incentive (RHI). Under the RHI, 87% of renewable heat to date has come from biomass, which has been particularly successful in decarbonising community buildings, schools, hotels and agricultural processes. What is now needed is greater support for larger off-gas grid industrial processes to convert from fossil fuels. Biomass can produce high grade heat and steam making it ideally suited for process heat applications in contrast to electric heating which is largely limited to space heating. We also see a continued role for onsite gas CHP where heat and power can be produced more efficiently and growing interest from very large heat users to convert high temperature waste heat into electricity

The RHI remains open to new build projects until March 2021 and provides 20 years of income based on the amount of heat that is produced. Additionally, in May 2019, the Department for Business, Energy and Industrial Strategy announced that the RHI Tariff Guarantee would be extended to the 31 January 2021. Tariff Guarantees allow RHI applicants to secure a tariff before their system is commissioned. They are available for larger projects including biomass heat systems larger than 1MW, all biomass CHP systems and all geothermal systems. Prior to this announcement, these projects needed to be completed before the 31 January 2020 to qualify for a Tariff Guarantee. Installations that have already secured a Tariff Guarantee will not benefit from this extension; only new applications received after this announcement. The RHI scheme strongly supports the wood fuel market of which AMP has a c.30% market share. There is a commitment by the Government to spend c. £4.5 billion between 2016 and 2021.

Beyond the RHI scheme, in the Clean Growth Strategy, the Government has committed to phase out the installation of high carbon fossil fuel heating in buildings, starting with new builds, in the 2020s. This means a significantly reduced role for oil and gas as heating systems are changed over to fossil-free systems.

Flexible generation:

The growth of smaller 'distributed' generation, energy storage and demand side response is helping to provide the flexibility required to enable the continued growth of renewables and ensure security of supply.

The traditional model of transmission connected thermal plants is becoming increasingly uneconomic because of renewables and the downward pressure they are putting on average electricity prices. At the same time the intermittent nature of renewables and their growing share of generating capacity is increasing price volatility in electricity markets. The costs of solar PV and offshore wind have fallen significantly to the point where projects are now being built without subsidies, which would indicate that these trends – growing intermittency and volatility - are here to stay.

On the demand side, the expected growth in the electrification of heat and transport and continued industrial automation are likely to exacerbate constraints on the distribution networks in areas of greatest population density. As a result, DNOs are looking to procure flexible generation services from third party providers as an alternative to funding grid reinforcement themselves.

The other challenge we face is regulatory change. In November 2018, the Government was forced to suspend the Capacity Market (CM), its main policy tool to support the build of new capacity and safeguard security of supply. The suspension followed a decision by the European Court of justice to withdraw state aid approval after it ruled that the UK Government had disadvantaged demand side response in favour of fossil fuel generators. The overwhelming consensus is that the CM will be reinstated as some point. However, clearly this has been unhelpful for sentiment in general, even though CM payments are expected to make up a relatively small proportion of Urban Reserve revenues, at least in the near term and does not have a material adverse effect on the project pipeline.

The other area of potential disruption is the review of network access and use of system charges currently being undertaken by Ofgem, which will look at GDUOS credits among other things. Given the contribution these credits make to the revenue stack, this could have a negative impact on project returns, particularly for projects located in areas of reverse power flows where distribution connected generators are responsible for electricity flowing up onto the transmission network. We endeavour to manage this risk by ensuring that our projects are located in non-generation dominated areas and in areas of existing or future demand side constraint.

Conclusion:

On a global scale, we are seeing growing awareness from governments and communities of the need to make a long-term commitment to a more sustainable energy system, involving a reduced reliance on finite fossil fuels, minimization of waste and less reliance on a centralised grid infrastructure. Additional policy interventions are likely to be needed to further encourage innovation in clean energy to promote energy efficiency and we are seeing this move into the centre stage of political debates. Available policy levers include subsidy, regulation and taxation which allow the industry to build credible business cases for major investment in carbon reducing technology.

AMP Group objectives and KPIs for 2020 are as follows:

- Aim to improve profitability whilst maintaining its market leading position in the supply of wood fuels retailing (wood pellet and wood chip) to end customers combining fuel supply with operation and maintenance services to customers;
- Grow pipeline of behind the meter heat and CHP projects and undertake acquisitions of already installed systems to generate development fees and future carried interest from AMPIL Loan Note issuance;
- Generate development fees and future carried interest from natural gas peaking plants under the Urban Reserve brand;
- Continue research into the evolving energy market and consider opportunities in infrared heating and heat storage solutions;
- Continue to invest in businesses aligned to our corporate strategy and objectives; and
- Supplement AMP's cash resources with additional new funding from one or a combination of: the issue of new Ordinary Shares for cash; bank debt; 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.

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Review of the 2018 KPIs	Comments on performance during year
1. Maintaining position as the market leader in wood fuels retailing (wood pellet and wood chip) via organic growth within the Group.	**Achieved.** Turnover increased and the consolidation of all wood fuels businesses under a single brand - AMP Clean Energy - has helped to further strengthen our market position in wood fuels.
2. Grow pipeline of biomass boiler developments and existing boiler acquisitions generating development fees and future carried interest from AMPIL Loan Note issuance.	**Achieved.** The results for Project Development include development fees earned on boiler buy backs and there remains a strong pipeline of industrial renewables and boiler investments for AMPIL.
3. Generate development fees and future carried interest from natural gas peaking plants	**Achieved.** The results for Project Development reflect development fees earned on selling the development rights for circa 50 MWs of Urban Reserve assets to AMPIL and the sale of development rights to 20MW project connected at 33kV to another third party.
4. Continue research into the evolving energy market and consider opportunities in EV charging, infrared heating, battery storage, renewable electricity supply, green gas and CNG	**Achieved.** AMP continues to explore opportunities to increase its expertise in developing and aggregating small-scale distributed energy assets and is specifically looking at ways to store heat more effectively in collaboration with the University of Birmingham.
5. Supplement AMP's cash resources with additional new funding from one or a combination of: the issue of new Ordinary Shares for cash; the rationalising of the existing Company structure; raising project finance from third party providers; asset financing of core items of equipment; or any other compelling financing mechanism where the Directors consider doing so to be in the best interests of the company and its Shareholders.	**Achieved.** The Company issued 8.5 million ordinary shares at 100p per share as part of a placing in October 2018. The placing proceeds were used to fund the call of the Fixed Rate Secured 8% Series I and Series II 2021 Convertible Loan Notes ("CLNs") in the Company. The call of the CLNs showed significant confidence in the Company's business plan with 91% of noteholders (a total of £9.13m nominal out of the £10.01m nominal) electing to convert their CLNs into new ordinary shares in the Company.

Risk factors

The principal risks of the business are documented below:

Staff retention risk	Long term lock-in arrangements and incentivisation structure to retain key staff through equity ownership as well as contractual minimum notice periods for key staff sufficient to ensure sufficient time for recruitment/handover. AMP has introduced a dedicated Human Resources function to ensure that Group wide objectives and performance is managed effectively at an individual level whilst at the same time ensuring that the well-being of staff is maintained to the highest level, consistent with the size of the current business.
Public policy risk including changes to renewable incentives	AMP aims to minimise the 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. 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	For larger contracts, AMP aims to match customer contracts with specific fixed prices from feedstock suppliers to match volumes and avoid in-year exposure to rising input prices. The Company has established annual supply contracts with multiple suppliers to minimise exposure and supply shortages where these are available at a reasonable price. The Company aims to further protect its gross margins by maintaining a significant proportion of spot customers. Increasingly, where customers sign long term contracts, the terms allow for fiber price rises to be passed on periodically.
Exchange rate risk	The Company will consider forward buying of exchange rate instruments to protect its downside risk on importing fuels and machinery from abroad.
Brexit	The Brexit vote has three significant implications for the AMP Group: 1. Continued and general uncertainty as regards future Government energy policy and delayed decisions as regards implementation and timing of policy revisions to the RHI and other subsidy frameworks. The Brexit vote and its political aftermath appears to have slowed down Government decision making as ministerial and Government responsibilities have changed. 2. Where a 'no deal' Brexit scenario occurs, there will be the imposition of a carbon tax on carbon dioxide emissions (and other greenhouse gas emissions on a carbon equivalent basis) produced by UK installations that are currently in the EU ETS ("European Emissions Trading Scheme") but all indications expect this to be on broadly similar terms. 3. AMP imports wood pellet from Europe and although this year we have seen a slight increase in the strength of the pound, its overall weakness since pre-Brexit has made imports more expensive although they still remain competitive compared to UK produced wood pellet. Exchange rate fluctuations can cause a lag effect with gross profit margin when higher import costs cannot be immediately absorbed by increased selling prices. AMP does not foresee import tariffs on wood pellet imported from the EU and there are no tariffs on fibre imports from outside the EU. There are also no tariffs on fibre imports on WTO terms. There may well be an increase in the need for Urban Reserve sites and therefore additional revenue opportunities if energy policy relating to the interconnectors with Europe result in restrictions or tariffs on electricity imported from Europe especially at times of peak demand.
Planning risk	The Company will seek to minimise the extent of exposure and financial commitment prior to successful planning approvals.
Environment Agency / Health and Safety risks	A wide variety of work equipment and machinery is used across the industry and 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. H&S review is given priority at management meetings and Board Meetings. Staff training is provided as appropriate.

This Strategic Report was approved by the Board of Directors of the company on 30 September 2019 and signed on their behalf by:

Richard Burrell
Chief Executive Officer
30 September 2019

Aggregated Micro Power Holdings plc

Directors' Report
For the year ended 31 March 2019

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 23 and in the Consolidated Statement of Changes in Equity on page 25.

The group undertook a capital reduction in the year reducing share premium by £16.2m.

Directors

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

Auditors

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

BDO LLP have expressed their willingness to continue in office. A resolution to appoint BDO LLP as Auditors to the Company will be proposed at the AGM.

Directors' responsibilities

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

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

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

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

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.

Going concern

As at 31 March 2019 the group had £2.4m in cash and net current assets of £0.3m. The directors and management have prepared a cash flow forecast to September 2020, 12 months from the date this report has been approved, which shows the group will remain cash positive. The Directors and Management note that given the seasonality of the fuels division revenues and the unpredictability of earning revenues on development fees, the first 6 months of cash flow forecast contains sensitivity. The Directors and Management manage this sensitivity by:

- Risk weighting the development fee revenues based on prudent chance of success of completion;
- Managing working capital through enhanced debtor collection, constant communication with key suppliers and managing costs in line with movements in revenues;
- Post year-end, the company has drawn down £3.25m from AMPIL 2 Asset Ltd which has been secured on the shares in AMP Biomass Fuels Limited and this has replaced the £1.75m stock loan which was outstanding at the year end. This revised loan agreement expires July 2020 and as part of the cashflow forecast Management and the directors have considered that this loan will be rolled on maturity ; and
- Monitoring other short term credit lines available to the group.

Whilst the Directors and Management continue to actively manage the sensitivity in near term cash flows, the cash flow forecast assumes that development fees are realised in a timely fashion each quarter. The Directors and Management are confident that development fees will be earned as part of the ordinary course of business and have therefore prepared the financial statements on a going concern basis. If insufficient development fees are earned each quarter, the Directors and Management have alternative funding arrangements available this would include support from the directors and managing working capital which could include the accelerated sale of inventory. Alongside this Management would look to raise funds through monetising the value in the investment division.

Website publication

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

Remuneration

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

	Year ended 31 March 2019			Year ended 31 March 2018		
Director	**Salary**	**Other benefits**	**Total**	**Salary**	**Other benefits**	**Total**
Neil Eckert	215,373	2,520	217,893	209,100	2,007	211,107
Richard Burrell*	107,687	21,537	129,224	104,550	20,910	125,460
Mark Tarry	147,084	15,870	162,954	142,800	15,301	158,101
Sir Laurence Magnus	25,000	-	25,000	25,000	-	25,000
Robert Williamson	15,000	-	15,000	15,000	-	15,000
The Rt. Hon. Sir Nicholas Soames	15,000	-	15,000	15,000	-	15,000
Robert Bland DL	15,000	-	15,000	15,000	-	15,000
Total	**540,144**	**39,927**	**580,071**	**526,950**	**38,218**	**564,668**

*In addition to the above, 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 £107,678 (2018: £104,550).

Directors' Report (continued)

Directors' interests

The following Directors held shares in the company as at 31 March 2019

Neil Eckert	9,166,647
Richard Burrell	3,195,116*
Mark Tarry	230,000
Sir Laurence Magnus	237,085
Sir Brian Williamson	128,571
The Rt. Hon. Sir Nicholas Soames	50,000
Robert Bland	337,922

*Includes 30,000 Ordinary Shares owned by Mathieson Capital Fund Management LLP and entity controlled by Richard Burrell

Dividend

No dividend is recommended to be paid in respect of the 2019 period (2018: nil).

Events after the reporting period

Refer to Note 31 to the accounts for details of events after the reporting date.

Financial instruments

Note 24 to the accounts sets out details of the Group's exposure to financial instruments.

Directors and their disclosures

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

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

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

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

This Directors' Report was approved by the Board of Directors of the company on 30 September 2019 and signed on their behalf by:

Richard Burrell
Chief Executive Officer

Aggregated Micro Power Holdings plc

Statement of Compliance with the QCA Corporate Governance Code

Background

Changes to AIM Rules in March 2018 require that all companies listed on AIM need to apply to a recognised corporate code by 28 September 2018. AMP has chosen to implement the QCA Corporate Governance Code ("QCA"). The QCA is based on ten broad principles and a corresponding set of disclosures and states what they consider to be appropriate arrangements for growing companies and ask them to provide an explanation about how they are meeting each principle through various disclosures. The way in which AMP meets these principles is detailed on the Company's website and incorporates information as to how the Board discharges its duties under the Companies Act 2006, s.172: www.ampcleanenergy.com/investors/corporate-governance

The Board considers that it does not depart from any of the principles of the QCA and AMP's statement of compliance sets out how the Company complies. This will be reviewed annually in line with the requirements of the QCA code.

Constitution of the board

During the period there were five full board meetings. The Audit Committee met twice during the period. The Remuneration Committee did not meet and the Nomination Committee did not meet.

The board was comprised of the following:

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

Committees of the board

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

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

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

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

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

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

Attendance at meetings

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

Sir Laurence Magnus	(5/5)
Sir Brian Williamson	(5/5)
The Rt. Hon. Sir Nicholas Soames	(3/5)
Robert Bland DL	(5/5)
Neil Eckert	(4/5)
Richard Burrell	(5/5)
Mark Tarry	(5/5)

Bribery Act compliance

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

Matters reserved for the Board

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

Relations with shareholders

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

Independent auditor's report to the members of Aggregated Micro Power Holdings Plc

Opinion

We have audited the financial statements of Aggregated Micro Power Holdings Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2019 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, the Company Statement of Financial Position and the Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies.

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 the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard in the United Kingdom and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:
- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2019 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusion relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Going Concern
	Although the group is loss making, as disclosed in note 1, these financial statements have been prepared on a going concern basis. The directors and Management have prepared a cash flow forecast to the end of September 2020, 12 months from the date this report has been approved, which shows the group will remain cash positive. The group experiences sensitivity in the first 6 months of its cash flow forecast due to the unpredictability of monetising development projects into cash and the seasonality of revenues on the wood fuels business. Given the key judgements and assumptions applied by the Directors and Management in preparing the cash flow forecast and the inherent sensitivities, we continue to assess going concern as a significant risk.
How we addressed the key audit matter in the audit	We have agreed the opening cash position used in the cash flow forecast to the audited position at 31 March 2019. We have challenged the key estimates applied to EBITDA forecasts through to both historical performance and actual results for the FY2020 financial year. We have verified evidence to support key estimates such as sales price and purchase price of fibre to contracts. We have compared the operating cost estimates to actual costs incurred in FY2019 and results to date. We have challenged Management as to the timing of cash inflows in relation to project development fees. We obtained Management's risk weighted analysis for the completion of project developments. We have considered the current status of these projects and the timing to achieve financial close. We have sensitised the cash flows to evaluate the minimum funding requirements. We have verified the drawn down secured short term working capital facility and assessed the reasonableness of Management's judgement that this will be rolled on maturity in July 2020. We have discussed the progress of securing cash from development fees in the next 4 months and verified documentation to support Management's effort to secure these. We have discussed and challenged Management's assertion that further funds could be secured if development fees are not earned and agreed supporting documentation to support this judgement. We have reviewed the disclosure regarding going concern in the directors' report and notes to the financial statements to check these are reasonable based on the work performed above.

Key Observation

The disclosures regarding going concern in the directors' report and notes to the financial statements reflect the key judgements that the Directors and Management have made in their going concern assessment.

Aggregated Micro Power Holdings plc

Key Audit Matter	**Prior Year Adjustment to Stock and Goods Received Not Invoiced (GRNI)** As reported in note 33, a material error was identified in respect of the accounting for the existence of inventory and completeness of Good Received Not invoiced and accruals in the AMP Clean Energy business pertaining to the 31 March 2018 year end. The review conducted by Management concluded that stock had been overstated due to systems incorrectly accounting for stock movements around the 2018 year end and the closure of several depots as part of the restructure not being accurately reflected on the balance sheet. A further adjustment was noted whereby an intercompany transaction between Forest Fuels and Billington Bioenergy had not been eliminated on consolidation and as a result stock was overstated at 31 March 2018. During the 2019 audit it was also identified that a number of purchases were accounted for in the incorrect financial period due to a delay in processing of invoices. As discussed in note 33, as a result of the matters set out in that note, adjustments have been made to the figures for the year ended 31 March 2018. The aggregated impact on the profit or loss for these adjustments is £4.4m.
How we addressed the key audit matter in the audit	We have performed the following testing on the prior year adjustments – • We have obtained Management's updated stock listing for 31 March 2018 and verified that stock counted as part of the year end stock counts has been appropriately included. • Where stock counts occurred post year end we have obtained Management's roll back reconciliation and agreed a sample of transactions to proof of delivery and despatch, in and out of the depots. • For inventory relating to depots that had closed before the 31 March 2018 year end, we have verified supporting information (delivery dockets) to demonstrate the last transaction occurring at each depot. • We have verified the contract with the key suppliers to ascertain that the group did not have legal title to stock incorrectly held on the balance sheet. • We have obtained Management's updated GRNI and Accruals schedule and have undertaken tests of existence and completeness. This included verifying a sample of transactions to supporting documents (invoice and proof of delivery) to check that the transaction has been included in the correct accounting period. We also verified a sample of physical invoices received post period end back to the revised reconciliation and verified a sample of post year end bank transactions to supporting documents (invoice and proof of delivery) to check that post year end payments have been included in the correct accounting period. • We have verified the FY2018 adjusted Group consolidation to ensure that intercompany transaction between Billington Biomass and Forest Fuels has now been correctly eliminated.

	• We have reviewed the disclosures in note 33 pertaining to the prior year adjustments to ensure these adequately disclose the circumstances and impact of the errors.

Key Observation

The prior year adjustments pertaining to inventory and GRNI have been appropriately accounted for and disclosed within the financial statements.

Key Audit Matter	**Valuation of Incubex** As detailed in note 23, the group holds a 29.08% investment in Incubex, an incubator for exchange traded products, services and technology solutions in environmental markets. In accordance with the Investment in Associate accounting policy in Note 2, the investment is accounted for at fair value through profit and loss in line with the venture capital organisation exemption under IAS 28 'Investments in Associates and Joint Ventures'. The investment is unlisted and Management has prepared a discounted cash flow (DCF) valuation to support the valuation of the investment which is in line with the previous value established by reference to the last fundraising in Incubex. Management are required to assess at each reporting date whether they continue to meet the characteristics of a venture capital organisation (VCO) under IAS 28. If they do not meet the characteristics of a VCO, the investment would need to be valued under the equity method. Given the key judgements applied by Management in determining the nature and value of the investment this is deemed a key audit matter
How we addressed the key audit matter in the audit	We have assessed Management's judgement of, whether the parent company still meets the characteristics of venture capital organisation and is entitled to elect to recognise the investment in Incubex at fair value against the requirements of the standard. We agreed the underlying number of shares held by the group to share certificates, as well as the Incubex Share Register. We have confirmed no further shares were acquired in the 2019 financial year. We have obtained Management's DCF valuation and challenged the key estimates applied. This included agreeing: - Year to date financial information to current market trading data; - Growth estimates to empirical market information; - Costs to current year to date financial information and; - Discount rate to benchmarked industry information; We sensitised the key estimates noted above and verified these sensitivities to Management's disclosure in note 24. We interviewed Incubex key management personnel to understand operational developments in the year and strategic plans for the future. We have reviewed the disclosure in the financial statements to ensure these adequately disclose Management's key judgements, estimates and sensitivities.

Key Observation

The investment in Incubex has been appropriately accounted for in line with the requirements of the accounting standards and the fair valuation of this investment is deemed appropriate as at 31 March 2019.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole

	FY2019	FY2018
Group materiality	£470,000	£300,000
Basis for determining materiality	1% of Revenue	6.5% of Profit before Tax (as reported at the time)
Parent Company Materiality	£420,000	£270,000
Basis for determining materiality	Capped at 90% of group materiality	Capped at 90% of group materiality
Group performance materiality	**£305,000**	**£225,000**
Basis for performance materiality	65% of group materiality	75% of group materiality
Parent company performance materiality	£315,000	£202,500
Basis for performance materiality	75% of materiality	75% of materiality

In 2018 we disclosed that a profit based measure (6.5% of profit before tax) was used to calculate materiality. As disclosed in note 1, the 2018 results have been restated and the Group is loss making. Although the Group is loss making, it is still a trading entity and the readers of the financial statements will be interested in the trading performance and therefore we have calculated materiality based on 1% of revenue for 2019.

Whilst materiality for the financial statements as a whole was £470,000, each significant component of the group was audited to a lower level of materiality in the range of £50k to £350k. Performance materiality has been set at 65% of materiality, this percentage has been selected by assessing criteria such as historic judgement levels, complexity, history of errors found, and the control environment in the group. The performance materiality is used to determine the financial statement areas that are included within the scope of our audit and the extent of sample sizes during the audit.

We agreed with the Audit Committee that we would report to the Committee all individual audit differences identified during the course of our audit in excess of £9,000 (2018:£8,000).

An overview of the scope of our audit

Our group audit was scoped by obtaining an understanding of the group and its environment, including the group's system of internal control, and assessing the risks of material misstatement in the financial statements at the group level.

Our group audit scope focused on the group's largest trading entity AMP Clean Energy, Highland Wood Energy Limited and AMP Energy Services Limited which were subject to full scope audits. Together with the parent company and its group consolidation, which was also subject to a full scope audit, these represent all the trading components of the group. All of the components including the group were audited by BDO LLP.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Audited Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

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

- adequate accounting records have not been kept, 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 11, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website : www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Matt Crane

Matt Crane (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

30 September 2019

Aggregated Micro Power Holdings plc

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2019

		Year ended 31 March 2019			Restated Year ended 31 March 2018		
		Underlying	Non-underlying	Total	Underlying	Non-underlying	Total
	Note	£	£	£	£	£	£
Continuing operations							
Revenue	4	49,539,100	-	49,539,100	43,162,969	-	43,162,969
Cost of sales		(38,734,025)	-	(38,734,025)	(38,048,103)	-	(38,048,103)
Gross profit		**10,805,075**	-	**10,805,075**	**5,114,866**	-	**5,114,866**
Other operating income	5	32,763	-	32,763	127,702	-	127,702
Administrative expenses		(14,906,419)	-	(14,906,419)	(11,142,051)	-	(11,142,051)
Non-recurring administrative expenses	6	-	-	-	-	(461,951)	(461,951)
Impairment of intangible	11	-	(463,306)	(463,306)	-	-	-
Impairment of receivables	6	(615,067)	-	(615,067)	-	-	-
Restructuring expenses incurred	6	-	-	-	-	(1,119,046)	(1,119,046)
Restructuring provision	6	-	56,532	56,532	-	(569,678)	(569,678)
Total administrative costs		(15,521,486)	(406,774)	(15,928,260)	(11,142,051)	(2,150,675)	(13,292,726)
Fair value adjustment on deferred consideration	28	-	710,344	710,344	-	(848,194)	(848,194)
Gain on financial asset at fair value through profit and loss	23	-	-	-	7,507,175	-	7,507,175
Loss from operations	6	**(4,683,648)**	**303,570**	**(4,380,078)**	**1,607,692**	**(2,998,869)**	**(1,391,177)**
Finance income		25,286	-	25,286	3,105	-	3,105
Finance expense	8	(1,362,802)	-	(1,362,802)	(1,353,830)	-	(1,353,830)
Loss before tax		**(6,021,164)**	**303,570**	**(5,717,594)**	**256,967**	**(2,998,869)**	**(2,741,902)**
Tax credit/(charge)	9	(203)	-	(203)	255,775	-	255,775
Profit and total comprehensive income for the year		**(6,021,367)**	**303,570**	**(5,717,797)**	**512,742**	**(2,998,869)**	**(2,486,127)**
Loss for the year attributable to:							
Owners of the business				(5,514,629)			(2,468,657)
Non-controlling interest				(203,168)			(17,470)
				(5,717,797)			**(2,486,127)**
Basic and diluted loss per share attributable to the ordinary equity holders of the parent	29			**(11.39)**			**(6.22)**

The notes on pages 27 to 72 form an integral part of these financial statements

Aggregated Micro Power Holdings plc

Company number: 08372177

Consolidated Statement of Financial Position

As at 31 March 2019

	Note	31 March 2019 £	31 March 2018 (As restated) £
Non-current assets			
Property, plant and equipment	10	5,039,392	6,314,203
Investment in associate	23	11,410,120	11,410,120
Intangibles	11	9,295,160	10,200,006
Total non-current assets		**25,744,672**	**27,924,329**
Current assets			
Inventories	13	2,398,713	1,772,566
Trade and other receivables	14	11,295,093	11,925,685
Cash and cash equivalents	15	2,383,616	4,161,375
Total current assets		**16,077,422**	**17,859,626**
Total assets		**41,822,094**	**45,783,955**
Current liabilities			
Trade and other payables	16	13,297,632	19,099,309
Provisions	19	6,000	569,678
Loans and borrowings	18	2,442,707	631,244
Total current liabilities		**15,746,339**	**20,300,231**
Non-current liabilities			
Loans and borrowings	18	1,215,633	10,304,022
Deferred contingent consideration	17	72,594	812,039
Deferred tax liability	9	673,975	695,157
Total non-current liabilities		**1,962,202**	**11,811,218**
Total liabilities		**17,708,541**	**32,111,449**
Net assets		**24,113,553**	**13,672,506**
Equity			
Paid up share capital	20	316,970	215,956
Share premium	20	17,106,745	16,192,845
Merger reserve		6,648,126	6,648,126
Other reserve	20	10,711,532	10,682,431
Convertible debt option reserve		-	1,149,255
Retained deficit		(10,862,641)	(21,612,095)
Equity attributable to equity shareholders of the parent company		**23,920,732**	**13,276,518**
Non-controlling interest	30	192,821	395,988
Total equity		**24,113,553**	**13,672,506**

The financial statements were approved by the Directors on 30th September 2019 and signed on their behalf by:

Richard Burrell,
Chief Executive Officer

The notes on pages 27 to 72 form an integral part of these financial statements

Aggregated Micro Power Holdings plc

Consolidated Statement of Changes in Equity

For year ended 31 March 2019

As restated Year ended 31 March 2018	Share capital £	Share premium £	Retained deficit £	Merger reserve £	Other Reserve £	Convertible debt option reserve £	Total £	Non-Controlling Interests £	Total Equity £
Equity as at 1 April 2017	**189,052**	**12,519,616**	**(19,447,786)**	**6,648,126**	**9,046,180**	**1,453,603**	**10,408,791**	**-**	**10,408,791**
Profit for the period	-	-	(2,468,657)	-	-	-	(2,468,657)	(17,470)	(2,486,127)
Total comprehensive income	-	-	**(2,468,657)**	-	-	-	**(2,468,657)**	**(17,470)**	**(2,486,127)**
Issue of share capital	26,904	3,681,229	-	-	1,591,878	-	5,300,011	-	5,300,011
Equity element of convertible debt	-	-	304,348	-	-	(304,348)	-	-	-
Fair value adjustment of EMI Options	-	-	-	-	44,373	-	44,373	-	44,373
Share issue cost	-	(8,000)	-	-	-	-	(8,000)	-	(8,000)
Non-controlling interest arising on acquisition	-	-	-	-	-	-	-	413,458	413,458
Year ended 31 March 2018	**215,956**	**16,192,845**	**(21,612,095)**	**6,648,126**	**10,682,431**	**1,149,255**	**13,276,518**	**395,988**	**13,672,506**

Year ended 31 March 2019	Share capital £	Share premium £	Retained deficit £	Merger reserve £	Other Reserve £	Convertible debt option reserve £	Total £	Non-Controlling Interests £	Total Equity £
Equity as at 1 April 2018	**215,956**	**16,192,845**	**(21,612,095)**	**6,648,126**	**10,682,431**	**1,149,255**	**13,276,518**	**395,988**	**13,672,506**
Retained income opening balance adjustment	-	-	(150,051)	-	-	-	(150,051)	-	(150,051)
Equity as at 1 April 2018	**215,956**	**16,192,845**	**(21,762,146)**	**6,648,126**	**10,682,431**	**1,149,255**	**13,126,467**	**395,988**	**13,522,455**
Profit for the period		-	(5,514,629)	-	-	-	(5,514,629)	(203,167)	(5,717,796)
Total comprehensive income	-	-	**(5,514,629)**	-	-	-	**(5,514,629)**	**(203,167)**	**(5,717,796)**
Issue of share capital	42,500	8,457,500	-	-		-	8,500,000	-	8,500,000
Equity element of convertible debt	-	-	209,550	-	-	(209,550)	-	-	-
Conversion of convertible	58,514	9,074,761	11,739	-	-	(939,705)	8,205,309	-	8,205,309
Capital reduction		(16,192,845)	16,192,845	-	-	-	-	-	-
Share issue cost	-	(425,516)	-	-	-		(425,516)	-	(425,516)
Fair value adjustment of EMI Options	-	-	-	-	29,101	-	29,101	-	29,101
Year ended 31 March 2019	**316,970**	**17,106,745**	**(10,862,641)**	**6,648,126**	**10,711,532**	**-**	**23,920,732**	**192,821**	**24,113,553**

Share capital: Nominal value of shares issued.

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

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

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

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

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

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

The notes on pages 27 to 72 form an integral part of these financial statements

Aggregated Micro Power Holdings plc

Consolidated Statement of Cash Flows

For year ended 31 March 2019

	Note	31 March 2019 £	31 March 2018 (As restated) £
Operating activities			
Loss for the period after tax		(5,717,797)	(2,486,127)
Adjustments for:			
Provision for restructure	19	-	569,678
Tax credit	9	203	(64,624)
Interest Income		(25,285)	(3,104)
Fair value adjustment on financial liabilities at fair value through profit and loss	28	(710,344)	803,821
Gain on financial asset at fair value through profit and loss	23	-	(7,507,175)
Loss on disposal of property, plant & equipment		149,103	18,351
Bad debt expense		309,389	-
Impairment loss	11	463,306	-
Finance Cost	8	1,362,802	1,353,830
Movement in foreign exchange		228,919	640,099
Amortisation of intangibles	11	421,378	421,810
Depreciation of property, plant and equipment	10	1,515,443	950,129
Cash flows from operating activities before changes to working capital		**(2,002,883)**	**(5,303,312)**
Change in working capital, net of effects from acquisition of subsidiaries			
(Increase)/decrease in inventories		(626,147)	1,298,788
(Increase)/decrease in trade and other receivables		171,152	336,253
(Decrease)/increase in trade and other payables		(7,060,241)	6,630,413
		(7,515,236)	8,265,454
Cash (used)/generated from operations		**(9,518,119)**	**2,962,142**
Investing activities			
Investment in associate		-	(1,500,000)
Purchase of property, plant and equipment		(48,256)	(1,661,474)
Proceeds from sale of assets		307,880	300,368
Interest received		25,285	3,104
Net cash used in investing activities		**284,909**	**(2,858,002)**
Financing activities			
Share issue cost		(425,516)	(8,000)
Proceeds from invoice discounting		465,764	1,010,739
Redemptions of convertible loan notes		(878,825)	-
Proceeds from issue of ordinary shares		8,500,000	3,752,496
Proceeds from loan		1,750,000	-
Payments of interest on borrowings		(889,855)	(967,682)
Payments on finance lease		(1,066,117)	(549,284)
Net cash generated from financing activities		**7,455,451**	**3,238,269**
Net (decrease)/increase in cash and cash equivalents		(1,777,759)	3,342,409
Cash and cash equivalents at beginning of period		4,161,375	818,966
Cash and cash equivalents at end of period	21	**2,383,616**	**4,161,375**

The notes on pages 27 to 72 form an integral part of these financial statement

1 **Accounting policies**

Basis of preparation

The company is a public limited company. It is limited by share capital and is incorporated in England and Wales. Its registered number is 08372177.

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

Comparative figures in the financial statements are in respect of the audited twelve month period to 31 March 2018. The Statement of income, Statement of Financial position, Statement of changes in Equity and Cash Flow Statement have been restated to show the impact of a prior year adjustment. Further details can be found in Note 33.

These financial statements have been prepared under the historical cost convention (except for items measured at fair value through profit and loss) 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.

Changes in accounting policies

The group has applied the same accounting policies and methods of computation in its annual consolidated financial statements as in its 2018 annual financial statements, except for those that relate to new standards and interpretations effective for the first time for periods beginning on (or after) 1 January 2018, and will be adopted in the 2019 annual financial statements. New standards impacting the Group that will be adopted in the annual financial statements for the year ended 31 March 2019, and which have given rise to changes in the Group's accounting policies are:

- IFRS 9 Financial Instruments; and
- IFRS 15 Revenue from Contracts with Customers.

Details of the impact these two accounting standards are given in Note 34. Other new and amended standards and Interpretations issued by the IASB that will apply for the first time in the next annual financial statements are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective in future accounting periods that the Group has decided not to adopt early. The most significant of these are:

- IFRS 16 Leases (mandatorily effective for periods beginning on or after 1 January 2019)
- IFRIC 23 Uncertainty over Income Tax Positions (effective 1 January 2019).

Details of the impact that these two standards will have are given below. Other new and amended standards and Interpretations issued by the IASB that will apply for the first time in the next annual financial statements are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

1 Accounting policies (continued)

IFRS 16 Leases (mandatorily effective for periods beginning on or after 1 January 2019)

Adoption of IFRS 16 will result in the Group recognising right of use assets and lease liabilities for all contracts that are, or contain, a lease. This treatment would result in discounting future lease payments and recognising the right of use of assets as a fixed asset and long-term liability in the financial statements. For leases currently classified as operating leases, under current accounting requirements the Group does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment. The impact of future periods is being considered and Management are in the process of quantifying the impact.

The Board has decided it will apply the modified retrospective adoption method in IFRS 16, and, therefore, will only recognise leases on balance sheet under IFRS 16 from 1 April 2019. In addition, it has decided to measure right-of-use assets by reference to the measurement of the lease liability on that date. This will ensure there is no immediate impact to net assets on that date.

At 31 March 2019 operating lease commitments amounted to £815,918 (see note 25), which is not expected to materially different to the anticipated position on 31 March 2019 under IFRS 16 or the amount which is expected to be disclosed at 31 March 2020 under IFRS 16. Assuming the Group's lease commitments remain at this level, the effect of discounting those commitments is anticipated to result in right-of-use assets and lease liabilities of approximately £1,464,735 being recognised on 1 April 2019, however, further work still needs to be carried out to determine whether and when extension and termination options are likely to be exercised, which will result in the actual liability recognised being higher than this.

Instead of recognising an operating expense for its operating lease payments, the group will instead recognise interest on its lease liabilities and amortisation on its right-of-use assets.

IFRIC 23 Uncertainty over Income Tax Positions

IFRIC 23 clarifies how to recognise and measure current and deferred income tax assets and liabilities when there is uncertainty over income tax treatments. There is no expected impact on the result from operations 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.

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 eliminated in full.

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

Business combinations

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

1 Accounting policies (continued)

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

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

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

Goodwill

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

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

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

Intangibles acquired in a business combination

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

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

1 Accounting policies (continued)

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

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

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

Going concern

As at 31 March 2019 the group had £2.4m in cash and net current assets of £0.3m. The directors and management have prepared a cash flow forecast to September 2020, 12 months from the date this report has been approved, which shows the group will remain cash positive. The Directors and Management note that given the seasonality of the fuels division revenues and the unpredictability of earning revenues on development fees, the first 6 months of cash flow forecast contains sensitivity. The Directors and Management manage this sensitivity by:

- Risk weighting the development fee revenues based on prudent chance of success of completion;
- Managing working capital through enhanced debtor collection, constant communication with key suppliers and managing costs in line with movements in revenues;
- Post year-end, the company has drawn down £3.25m from AMPIL 2 Asset Ltd which has been secured on the shares in AMP Biomass Fuels Limited and this has replaced the £1.75m stock loan which was outstanding at the year end. This revised loan agreement expires July 2020 and as part of the cashflow forecast Management and the directors have considered that this loan will be rolled on maturity ; and
- Monitoring other short term credit lines available to the group.

Whilst the Directors and Management continue to actively manage the sensitivity in near term cash flows, the cash flow forecast assumes that development fees are realised in a timely fashion each quarter. The Directors and Management are confident that development fees will be earned as part of the ordinary course of business and have therefore prepared the financial statements on a going concern basis. If insufficient development fees are earned each quarter, the Directors and Management have alternative funding arrangements available this would include support from the directors and managing working capital which could include the accelerated sale of inventory. Alongside this Management would look to raise funds through monetising the value in the investment division.

Revenue recognition

Sale of goods

Performance obligations and timing of revenue
The group recognises wood fuel sales on delivery to the customer.

Determining the transaction price
Price is determined either under a fixed contract or spot sale at a price per tonne (Pellet) or meter cube (Chip). These prices are linked to market prices.

Allocating amounts to performance obligations
The Group's contracts with customers for the sale of wood fuels generally includes one performance obligation being the delivery of such wood fuel. Revenue from the sale of wood fuel is recognised at a point in time when control of the asset is transferred to the customer which is upon delivery.

This recognition is in accordance with IFRS 15.

1 Accounting policies (continued)

Rendering of services

Operations and maintenance contracts

Performance obligations and timing of revenue
The Group's contracts with customers to provide operations and maintenance services which includes scheduled maintenance services and emergency call out services. These services are either combined into a single customer contract or are supplied separately.

Determining the transaction price
Price is determined either under an annual fixed price contract or at an agreed call out fee.

Allocating amounts to performance obligations
Maintenance service revenue has been recognised on a straight line basis rather than on delivery of the service. IFRS 15 requires revenue to be recognised at the time when the services performance obligations (i.e. the services required under the contract) are completed. There is however no impact on an annual basis as these timing differences between revenue recognition and the delivery of the performance obligations, are eliminated over the course of a full year as contract terms run concurrently with the year end and cyclical heating season.

This recognition is in accordance with IFRS 15.

Emergency call out services and any spare parts used during these call outs are recognised at a point in time when the service is requested and in accordance with IFRS 15.

RHI support and consultancy service

The Group's RHI support and consultancy services are provided throughout the year via a monthly subscription service. The revenue is recognised over time as the services are rendered as the customers simultaneously receive and consume the benefits provided by the Group.

This recognition is in accordance with IFRS 15.

Heat Supply sales

Performance obligations and timing of revenue
The Group's contracts with customers to provide heat supply sales is a combined contract which includes:

- the supply of heat from the combustion of wood fuel; and,
- the provision of operations and maintenance services.

Each service has distinct performance obligations and is delivered at different times. Revenue from these contracts however has been recognised as a combined service on a £/Kilowatt-hour basis multiplied by the amount of heat supplied as measured on the heat meter. IFRS 15 dictates individual streams should be recognised when the performance obligations under each has been completed.

Determining the transaction price
Price is determined under a fixed term contract at a price per Kilowatt-hour.

Allocating amounts to performance obligations
Revenue recognition on the heat supply component is recognised on a per £/Kilowatt-hour basis as heat is used and obligations discharged when heat is generated. The sale of heat through discharge and consumption is directly correlated to metered heat generation on a per Kilowatt-hour basis.

The operations and maintenance services component revenue is an immaterial percentage of the revenue generated from these contracts. As the contracts run concurrently with the financial year and the heating season there is no impact on an annual basis regarding potential differences between revenue recognition and delivery of the performance obligations as the contract terms run concurrently with the year end and cyclical heating season.

This recognition is in accordance with IFRS 15.

1 Accounting policies (continued)

Project revenue and development fees

Performance obligations and timing of revenue
The Group's contracts with customers to provide asset management services, asset development, and portfolio management service generally all have one performance obligation.

Allocating amounts to performance obligations
Asset management services are recognised on a straight-line basis over time, as the benefits provided by the Group are received and consumed in equal measure over the course of a year. Asset development costs are expensed save for grid connection deposits which are held on balance sheet at cost. These costs are recharged when projects are brought to financial close.

Asset development fees are recognised when they are probable, which is at a point in time when control has passed to the end customer. Control is considered to have passed when all key contracts have been signed and substantially all work has been completed or when payment of the project is received. Development costs associated with these projects are typically passed on to the buyer and where this is not possible these costs are considered for impairment in line with IFRS 9 using the simplified model.

Portfolio management service fees are recognised on a straight-line basis over time, as the benefits provided by the Group are also received and consumed in equal measure over the course of a year.

This recognition is in accordance with IFRS 15.

Retirement Benefits: Defined contribution schemes

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

Property, plant and equipment

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

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

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

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

Impairment

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

Impairment charges are included in profit and 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.

1 Accounting policies (continued)

Financial assets

Financial assets are classified as amortised cost or financial assets at fair value through profit and loss (FVPL).

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

Amortised Cost

These assets principally arise from the provision of goods and services e.g. trade receivables.

They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix to determine the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administration expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Financial assets at Fair Value through Profit and Loss

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

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

This investment in associate has initially been recognised in the statement of financial position at fair value. The investment is carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income in the finance income or expense line.

Interest and dividends earned or paid on these instruments are recorded separately in interest revenue or expense and dividend revenue or expense in the statement of comprehensive income.

Financial liabilities

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

1 Accounting policies (continued)

Financial liabilities at fair value through profit and loss

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

They are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income.

Fair value measurement

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

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

Valuation techniques for contingent consideration is assessed based on the full value of the potential consideration adjusted for the risk of the projects not being successful.

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

Other financial liabilities

The second category comprises other financial liabilities which includes the following items:

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

1 Accounting policies (continued)

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

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

The option to acquire the resulting share capital of HWE was initially recognised at their fair value on acquisition and is subsequently fair valued at each reporting period.

Convertible debt

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

The equity component is assigned to the residual amount after deducting this fair value liability from the fair value of the financial instrument as a whole. It is recognised in the 'Convertible debt option reserve' within shareholders' equity, net of income tax effects. More information is provided in note 18.

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 and loss.

Share Capital

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

Leased Assets

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

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

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.

1 Accounting policies (continued)

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 and loss. Finance costs, finance income and income taxes are managed on a Group basis (note 3).

Inventories

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

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

Government grants

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

Invoice Discounting

Invoice discounting is a short term working capital facility provided by the Royal Bank of Scotland to be used for the designated purpose of remitting sales invoices in the fuels segment where customers have been granted long credit terms over 30 days. The facility has a total available drawn down value as at 31 March 2019 of £4.6m.
The facility has been recognised as trade and other payables per note 16. The Group is responsible for the settlement of any drawn facility and will incur the loss if a trade receivable is not recovered. Amounts drawn under the facility are treated as debt in the Cash flow statement.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and for the purpose of the statement of cash flows – bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

1 Accounting policies (continued)

Restructuring Provisions

The group has recognised a provision liability of uncertain timing or amount for costs which relate to restructuring, involving dilapidations, closing of depots and onerous contracts. The provision is measured at the best estimate of the expenditure required to settle the obligation at reporting date.

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.

Estimates

(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.

(b) Fair value of deferred contingent consideration

The fair value of Neil Eckert's and Richard Burrell's deferred contingent consideration relating to the Group's merger and acquisition of AMP Energy Services Limited (formerly Environova Consulting Limited) and Mathieson Biomass Limited respectively has been valued to market and recognised in the statements of comprehensive income and financial position. For details of the estimates and judgements see note 28.

The fair value of the deferred contingent consideration relating to the Group's acquisition of Forest Fuels Holdings Limited and its controlled subsidiaries has been valued to market and recognised in the statements of comprehensive income and financial position. For details of the estimates and judgements see note 28.

(c) Impairment of assets

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

(d) Valuation of intangible assets

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

2 Critical accounting estimates and judgements (continued)

(e) Useful lives of intangible assets

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

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

(f) Call Option to purchase remaining shares in Highland Wood Energy

Management has considered the option to acquire the remaining 49.9% shareholding in Highlands Wood Energy Limited, has an immaterial value at 31 March 2019 Management reassess the value of this option at each reporting date.

g) IFRS 9 and IFRS 15

There have been no material revisions to the nature and amount of estimates of amounts reported in prior periods except where the implementation of IFRS 9 and IFRS 15 discussed above requires a different approach to the accounting previously applied. Significant estimates and judgements that have been required for the implementation of these new standard are:

- estimating the lifetime losses of short-term trade receivables for the purposes of IFRS 9's expected credit loss model;
- estimating the amount of variable consideration under IFRS 15 for which it is highly unlikely there would be a significant future reversal in the future; and,
- assessing whether goods and services identified in some of the Group's consultancy contracts are distinct within the context of the contract and, to the extent they are, estimating the standalone selling prices for the purposes of allocating the transaction price on a relative stand-alone basis to the performance obligations identified.

Judgements

(a) Investment in associate – financial asset at fair value through profit and loss

In accordance with the exemption within IAS 28 Investments in Associates and Joint Ventures, the Group does not account for its investments in associates using the equity method. Instead, the Group has elected to measure its investments in associates at FVPL as per note 23. The Directors have assessed that the Group meets the definition of a "venture capital organisation". Such characteristics of a venture capital organisation may include, but are not limited to:

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

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

2 Critical accounting estimates and judgements (continued)

(b) Interest in other entities

In accordance with IFRS 12, the Group considers Aggregated Micro Power Infrastructure 2 Plc ("AMPIL") to be an unconsolidated structured entity. The Group considers it has neither control nor significant influence. There are no Group directors on the board of AMPIL. There is no equity interest ownership held by the Group in AMPIL. AMPIL is owned and governed by a third party in The Law Debenture Corporation Plc (see further disclosures in Note 32).

3 Segmental information

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

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

The directors have taken the decision to report segment performance on an "adjusted" earnings before interest, taxation, depreciation and amortization ("EBITDA") basis disclosed. The Company has engaged in multiple acquisitions over the course of financial years ending 2017 and 2018, which has resulted in significant exceptional and non-recurring expenses incurred or provisioned during the natural process of integrating and restructuring the wood fuel business segment.

These exceptional and non-recurring expenses are disclosed below EBITDA in order to give the users of these financial statements a clearer understanding of normalised operational performance as well as provide relevant comparatives for the forthcoming financial year. Further disclosure of these expenses have been made in note 6.

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

The Group has completed several acquisitions of wood fuel businesses over the last three years which has resulted in significant exceptional and non-recurring expenses being incurred. This has included a restructuring provision which has been recognised following the announcement of the planned restructuring of the wood fuel business segment, which was announced in March 2018.

The performance of each segment is reported below.

3 Segmental information (continued)

Operating segments For the Year Ending 31 March 2019	Wood fuels	Project development	HQ & Investments	Total
	£	£	£	£
Revenue	43,557,766	5,981,334	-	49,539,100
Cost of sales	(37,812,850)	(921,175)	-	(38,734,025)
Gross profit	**5,744,916**	**5,060,159**	-	**10,805,075**
Other operating income	57,597	-	450	58,047
Administrative expenses	(8,849,154)	(1,929,912)	(1,603,755)	(12,382,821)
***Adjusted EBITDA**	**(3,046,641)**	**3,130,247**	**(1,603,305)**	**(1,519,699)**
Depreciation	(1,374,160)	-	(141,283)	(1,515,443)
Finance expense	(930,356)	-	(432,446)	(1,362,802)
Amortisation intangibles	-	-	(441,540)	(441,540)
P&L on sale of assets	(149,103)	-	-	(149,103)
FX Gain/(Loss)	(228,919)	-	-	(228,919)
Administrative costs non -recurring	(188,594)	-	-	(188,594)
Impairment loss	(463,306)	-	-	(463,306)
Restructuring costs incurred	56,535			56,535
Fair Value Adjustment - deferred shares	-	-	710,345	710,345
Impairment of trade receivables	(615,067)			(615,067)
Tax credit	(43,855)	-	43,651	(204)
Profit / (Loss) for the year	**(6,983,466)**	**3,130,247**	**(1,884,578)**	**(5,717,797)**
Segment assets	10,490,044	4,800,386	26,531,664	41,822,094
Segment liabilities	(20,520,807)	(719,458)	3,531,725	(17,708,541)
	(10,030,763)	**4,080,928**	**30,063,389**	**24,113,553**

Year ending 31 March 2018
As restated

	Wood fuels	Project development	HQ & Investments	Total
	£	£	£	£
Revenue	40,009,412	3,153,557	-	43,162,969
Cost of sales	(36,397,027)	(739,975)	-	(37,137,002)
Gross profit	**3,612,385**	**2,413,582**	-	**6,025,967**
Other operating income	122,672	-	5,030	127,702
Administrative expenses	(6,204,736)	(1,186,414)	(1,717,647)	(9,108,797)
***Adjusted EBITDA**	**(2,469,679)**	**1,227,168**	**(1,712,617)**	**(2,955,128)**
Depreciation	(917,997)	-	(32,132)	(950,129)
Finance expense	(410,226)	-	(943,604)	(1,353,830)
Amortisation intangibles	-	-	(421,810)	(421,810)
P&L on sale of assets	(18,353)	-	-	(18,353)
FX gain/loss	(639,860)	-	-	(639,860)
Cost of sales - non recurring	(911,101)			(911,101)
Administrative costs non -recurring	(461,951)			(461,951)
Restructuring costs incurred	(582,996)	(504,280)	(31,768)	(1,119,044)
Restructuring provision	(569,677)	-	-	(569,677)
Gain on financial asset at fair value through profit & loss	-	-	7,507,175	7,507,175
Fair value adjustment on deferred consideration	-	-	(848,194)	(848,194)
Tax credit	-	-	255,775	255,775
Profit / (Loss) for the year	**(6,981,840)**	**722,888**	**3,772,825**	**(2,486,127)**
Segment assets	10,647,749	3,383,748	31,752,458	45,783,955
Segment liabilities	(15,424,320)	(863,460)	(15,823,668)	(32,111,449)
	(4,776,571)	**2,520,288**	**15,928,790**	**13,672,507**

* Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation, as well as nonrecurring income and costs.

4 Revenue

	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
	£	£
Wood fuel sales	43,213,003	39,760,437
Development, Management and Consultancy fees	5,981,334	3,153,557
RHI income (Heat contracts)	344,763	248,975
	49,539,100	**43,162,969**

Year to 31 March 2019

	Wood Fibre Sales	Wood Heat Sales	Maintenance Sales	Fee & RHI Income	Total
	£	£	£	£	£
Product Type					
Goods	35,863,479	-	-	-	35,863,479
Services	-	2,930,237	2,087,615	8,657,769	13,675,621
	35,863,479	**2,930,237**	**2,087,615**	**8,657,769**	**49,539,100**
Timing of transfer of goods and services					
Point in time (delivery to customer premises)	35,863,479	-	2,087,615	5,361,338	43,312,432
Over time	-	2,930,237	-	3,296,431	6,226,668
	35,863,479	**2,930,237**	**2,087,615**	**8,657,769**	**49,539,100**

Year to 31 March 2018

	Wood Fibre Sales	Wood Heat Sales	Maintenance Sales	Fee & RHI Income	Total
	£	£	£	£	£
Product Type					
Goods	32,960,419	-	-	-	32,960,419
Services	-	2,523,955	991,053	6,687,542	10,202,550
	32,960,419	**2,523,955**	**991,053**	**6,687,542**	**43,162,969**
Timing of transfer of goods and services					
Point in time (delivery to customer premises)	32,960,419	-	991,053	3,153,557	37,105,029
Over time	-	2,523,955	-	3,533,985	6,057,940
	32,960,419	**2,523,955**	**991,053**	**6,687,541**	**43,162,969**

5 Other income

Other operating income

	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
	£	£
Other income	32,763	127,702
	32,763	**127,702**

6 Operating profit

	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
	£	£
Depreciation	1,515,443	950,129
Amortisation of intangibles	441,540	421,810
Impairment of intangibles	463,306	-
Auditors remuneration:		
-audit related services for the audit of this company	11,577	11,577
-audit related services for the audit of the subsidiaries	184,963	131,737
Foreign Exchange Loss	228,919	639,860
Operating lease payments	1,231,611	854,401
Staff costs	6,872,790	4,634,426
Loss on sale of assets	149,103	18,352
Consultancy Fees	757,274	766,038
Bad Debts Written off	305,678	-
Provision for bad debts	309,389	-
Other Administrative expense	3,111,978	2,713,482

Non recurring cost of sales

Non recurring cost of sales expenses of nil (2018: £911,000). The amount in 2018 related to a number of additional charges which include, *inter alia*, certain costs related to drying contract inefficiencies. Following the implementation of HWE's operation and maintenance services, these are not expected to occur in the future.

Restructuring provision

The restructuring provision costs of nil (2018: £569,678). The 2018 figure relates to the closure of certain depots and includes the termination payments under lease contractual arrangements and dilapidation costs to be incurred.

Restructuring expenses incurred

The restructuring expenses of nil (2018: £1,119,046). The 2018 figure relates to costs incurred during 2018 as part of the restructuring and integration and include costs of integrating IT systems, the impairment of assets which will not be used in the newly integrated business and the rebranding of vehicles.

7 Staff cost (including directors) comprise:

	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
	£	£
Wages and salaries	6,129,722	4,078,520
Social security contributions and similar taxes	424,652	273,357
Defined contribution pension costs	223,542	144,507
Other personnel related costs	94,874	138,042
	6,872,790	**4,634,426**
Average number of staff	141	128

Directors' salaries

	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
	£	£
Short term employee benefits	703,953	526,450
Payments to Mathieson Capital Investment Management Ltd	107,687	104,550
Other personnel cost	8,022	3,029
Total pension and other post-employment benefit costs	52,627	35,190
	872,289	**669,219**

Highest paid Director

	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
	£	£
Short term employee benefits	215,373	209,100
Total pension and other post-employment benefit costs	2,520	20,910
	217,893	**230,010**

Key management personnel are all the Directors of the company.

8 Finance expense

	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
	£	£
Interest expense	582,233	207,727
Convertible Loan Note interest	567,889	1,074,638
Finance Lease interest	212,680	71,465
	1,362,802	**1,353,830**

9 Taxation

	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
	£	£
Current tax credit	(12,815)	191,150
Deferred tax expense	12,612	64,625
Total tax credit	(203)	255,775
	-	-
Profit/ (Loss) before income taxes	(5,717,594)	(2,741,902)
Expected tax charge based on the standard rate of United Kingdom corporation tax	-	-
at the domestic rate of 19% (2018: 19%)	(1,086,343)	(520,961)
Expenses not deductible for tax purposes	540,732	279,018
(Gains)/loss not taxable	134,965	(1,329,831)
Unprovided losses carried forward	410,849	1,507,150
R & D tax credit received	-	(191,151)
Total credit/(charge)	**203**	**(255,775)**

Deferred tax

	Consolidated statement of financial position	
	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
	£	£
Accelerated depreciation for tax purposes	29,404	8,222
Fair Value uplift on business combinations	(703,379)	(703,379)
Net deferred tax asset / (liability)	**(673,975)**	**(695,157)**

Reconciliation of deferred tax liabilities	Year ended 31 Mar 2019	Year ended 31 Mar 2018
	£	£
Opening	(695,157)	(571,115)
Deferred taxes acquired in business combinations	-	(188,666)
Amortisation intangible assets	76,772	64,624
Accelerated depreciation for tax purposes	(55,590)	-
Closing	**(673,975)**	**(695,157)**

The majority of unutilised losses are expected to be utilised within five years. In prior year, the Group made appropriate (charges)/credits to timing difference, acquired intangible assets and unutilised losses to recognise the enacted tax reductions.

The tax losses to carry forward which are unprovided at the end of the year amounted £15,598,141(2018: £13,435,773), the unrecognised deferred tax on these balances at 17% are £2,651,683 (2018: £2,552,797). Deferred tax assets for these losses have not been recognised, due to uncertainty over profitability. Deferred tax has been calculated based on rates substantively enacted at the balance sheet date, being 17% (2018: 19%).

10 Plant, Property and Equipment

	Assets Under Construction	Farm & Upgrade	Land and Buildings	Plant & Machinery	Office Equipment	Motor Vehicles	Total
	£	£	£	£	£	£	£
Cost							
As at 31 March 2017	**47,740**	**6,906,294**	**-**	**2,315,931**	**286,753**	**733,157**	**10,289,875**
Additions from Business Combinations	-	-	278,462	1,585,606	312,005	1,840,336	4,016,409
Additions for the period	16,650	-	32,494	1,601,796	448,160	617,252	2,716,352
Disposals for the period	-	-	-	(269,455)	(169,789)	(20,659)	(459,903)
As at 31 March 2018	**64,390**	**6,906,294**	**310,956**	**5,233,878**	**877,129**	**3,170,086**	**16,562,733**
Depreciation							
As at 31 March 2017	**47,740**	**6,906,294**	**-**	**814,091**	**61,958**	**95,045**	**7,925,128**
Additions from Business Combinations	-	-	-	662,327	215,980	636,154	1,514,461
Charge for the period	3,000	-	17,488	670,419	70,545	188,677	950,129
Disposals for the period	-	-	-	(132,146)	(9,042)	-	(141,188)
As at 31 March 2018	**50,740**	**6,906,294**	**17,488**	**2,014,691**	**339,441**	**919,876**	**10,248,530**
Net book value							
As at 31 March 2017	-	-	-	1,501,840	224,795	638,112	2,364,747
As at 31 March 2018	**13,650**	**-**	**293,468**	**3,219,187**	**537,688**	**2,250,210**	**6,314,203**

	Assets Under Construction	Farm & Upgrade	Land and Buildings	Plant & Machinery	Office Equipment	Motor Vehicles	Total
	£	£	£	£	£	£	£
Cost							
As at 31 March 2018	**64,390**	**6,906,294**	**310,956**	**5,233,878**	**877,129**	**3,170,086**	**16,562,733**
Prior period Restatement*	-	-	(10,097)	(602,647)	326,235	416,791	130,282
Reclassification	-	-	-	(760,141)	-	760,141	-
Additions for the period	-	-	14,128	106,475	461,874	115,138	697,615
Disposals for the period	-	-	-	(380,904)	(52,253)	(296,610)	(729,767)
As at 31 March 2019	**64,390**	**6,906,294**	**314,987**	**3,596,661**	**1,612,985**	**4,165,546**	**16,660,863**
Depreciation							
As at 31 March 2018	**50,740**	**6,906,294**	**17,488**	**2,014,691**	**339,441**	**919,876**	**10,248,530**
Prior period Restatement*	-	-	(10,097)	(602,647)	326,235	416,791	130,282
Reclassification	-	-	-	(279,109)	-	279,109	-
Charge for the period	-	-	7,735	569,620	304,234	633,854	1,515,443
Disposals for the period	-	-	-	(89,953)	(34,746)	(148,086)	(272,785)
As at 31 March 2019	**50,740**	**6,906,294**	**15,126**	**1,612,602**	**935,164**	**2,101,544**	**11,621,471**
Net book value							
As at 31 March 2018	13,650	-	293,468	3,219,187	537,688	2,250,210	6,314,203
As at 31 March 2019	**13,650**	**-**	**299,861**	**1,984,059**	**677,821**	**2,064,002**	**5,039,392**

The net book value of the assets under lease arrangements at 31 March 2019 were £2,456,781 (31 March 2018: 2,081,459)
There is a fixed and floating charge over the fixed assets of the business in favour of the RBS invoice discounting facility.

*The restatement relates to the misclassification of assets and depreciation within the fixed asset notes, notably trucks being included in plant and machinery. This does not impact the total net book value but impacts the costs classifications.

11 Intangible Assets

As Restated	Long term contracts and customer relationships £	Brand £	Goodwill £	Total £
Cost				
As at 31 March 2017	**3,514,945**	**972,833**	**5,549,454**	**10,037,232**
Additions on acquisition of subsidiary	375,619	-	377,684	753,303
Additions for the period	103,251	-	-	103,251
As at 31 March 2018	**3,993,815**	**972,833**	**5,927,138**	**10,893,786**
Amortisation				
As at 31 March 2017	**133,042**	**41,629**	-	**174,671**
Amortisation charge for the period	373,168	48,642	-	421,810
Adjustment of Goodwill	-	-	97,300	97,300
As at 31 March 2018	**506,210**	**90,271**	**97,300**	**693,781**
Net book value				
As at 31 March 2017	3,381,903	931,204	5,549,454	9,862,561
As at 31 March 2018	**3,487,605**	**882,562**	**5,829,838**	**10,200,006**

	Long term contracts and customer relationships £	Brand £	Goodwill £	Total £
Cost				
As at 31 March 2018	**3,993,815**	**972,833**	**5,927,138**	**10,893,786**
Additions on acquisition of subsidiary	-	-	-	-
As at 31 March 2019	**3,993,815**	**972,833**	**5,927,138**	**10,893,786**
Amortisation				
As at 31 March 2018	**506,210**	**90,271**	**97,300**	**693,781**
Amortisation charge for the period	395,390	46,150	-	441,540
Impairment charge for the year	463,306	-	-	463,306
As at 31 March 2019	**1,364,906**	**136,421**	**97,300**	**1,598,627**
Net book value				
As at 31 March 2018	3,487,605	882,562	5,829,838	10,200,006
As at 31 March 2019	**2,628,909**	**836,412**	**5,829,838**	**9,295,160**

The Goodwill of the group is allocated to one cash generating unit, the Wood Fuels division.

Goodwill impairment

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows. The forecasts provided have been based on historic and expected cash flows. Operating margins have been based on past experience and future expectations in the light of anticipated economic and market conditions. Growth rates are set at 2% (2018: 2%). A pre-tax discount rate of 15% (2018:15%) has been applied to pre-tax cash flows over 5 years.

Sensitivity Analysis

1% increase in growth rate	£362,700 movement in Net Present Value
1% decrease in growth rate	(£362,716) movement in Net Present Value
1% increase in discount rate	(£1,284,834) movement in Net Present Value
1% decrease in discount rate	£1,485,795 movement in Net Present Value

Long term contracts impairment

The Group took the decision on the 21st February 2019 to write off the MI-Generation ("MI GEN") Intangible asset for the net book value of £463,306, due to the contracts becoming loss making. The Group acquired the MI GEN customer list and associated heat contracts on the 29th June 2016 for an amount of £300,000 in cash and £354,079 in deferred consideration. The nature of the acquisition was to purchase the heat supply contracts with customers and provide the fuel supply, while outsourcing the maintenance to MI-Generation Ltd. The heat contract profitability can be isolated to one intangible asset. No onerous loss provision is required.

12 Business combinations

Business combinations in the prior period

Billington Bioenergy Limited

On 25 October 2017, the Group completed on the acquisition of 100% of the share capital of Billington Bioenergy Limited ('Billingtons'), a wood pellet supplier, for a total consideration of £1,936,315 which comprised of the issue of £1.6m in new Ordinary Shares issued at a price of 98.5 pence per share and £0.3m in cash. There is no contingent or deferred consideration or debt assumed. The acquisition was made to further strengthen the Group's position in the wood pellet market.

As at 25 October 2017 Billingtons had a net asset value of £1,393,652. These identifiable intangibles have been assessed as part of a fair value exercise at a Group level and are therefore excluded from the opening book value in the table below. The Group has recognised the provisional fair values of identifiable assets and liabilities as follows:

	31 March 2018		
	Opening book value	Fair value adjustment	Closing fair value
	£	£	£
Intangibles	-	375,619	375,619
Tangible assets	1,514,784	-	1,514,784
Cash	677,067	-	677,067
Inventory	233,857	-	233,857
Receivables	487,969	-	487,969
Total Assets	**2,913,677**	**375,619**	**3,289,296**
Trade and other payables	(1,282,438)	-	(1,282.438)
Deferred tax liability	-	(63,856)	(63,856)
Non-Current liabilities	(237,586)		(237,586)
Total Liabilities	**(1,520,024)**	**(63,855)**	**(1,583,880)**
Net Assets	**1,393,652**	**311,764**	**1,705,416**
Fair value of consideration paid			**1,936,315**
Goodwill			**230,899**

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

The goodwill recognised will not be deductible for tax purposes.

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

12 Business combinations during the prior period (continued)

Highland Wood Energy Limited

On 28 June 2017, the Group completed on the acquisition of 50.1% of the share capital of Highland Wood Energy ('HWEnergy'), a supplier of biomass heating, servicing and installation, for a total consideration of £500,000 paid in cash. There is no contingent or deferred consideration or debt assumed. The acquisition was made to further strengthen the Group's position in the biomass heating market. AMP has a call option to purchase the remaining 49.9% from HWEnergy within 3 years for a consideration of £2,000,000 which will be paid, 50% in cash and 50% in the allotment of new ordinary shares in AMP. In the event that AMP does not exercise its option within 3 years, HWE Energy's minority shareholders have the right to buy back 30.1% of the business for a cash consideration of £500,000 which would leave AMP with a residual interest of 20%.

As at 28 June 2017 Highland Wood Energy had a net asset value of £828,575. These identifiable intangibles have been assessed as part of a fair value exercise at a Group level and are therefore excluded from the opening book value in the table below. The Group has recognised the provisional fair values of identifiable assets and liabilities as follows:

	31 March 2018		
	Opening book value	**Fair value adjustment**	**Closing fair value**
	£	**£**	**£**
Intangibles	-	-	0
Tangible assets	987,166	-	987,166
Cash	156,680	-	156,680
Inventory	228,479	-	228,479
Receivables	1,088,102	-	1,088,102
Total Assets	**2,460,427**	-	**2,460,427**
Trade and other payables	(1,591,278)	-	(1,591,278)
Deferred tax liability	-	-	0
Non-Current liabilities	(40,574)		(40,574)
Total Liabilities	**(1,631,852)**	-	**(1,631,852)**
Net Assets	**828,575**	-	**828,575**
Fair value of consideration paid			**500,000**
Goodwill			**84,884**
Consideration attributable to non-controlling interest			413,459

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

The goodwill recognised will not be deductible for tax purposes.

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

13 Inventories

	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
	£	£
Raw materials and consumables	1,787,132	1,530,347
Grid balancing work in progress	416,878	88,850
Biomass boilers work in progress	194,703	153,369
	2,398,713	**1,772,566**

There is a fixed charge over raw materials in relation to the short term loan (see note 18)

14 Trade and other receivables

	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
	£	£
Trade receivables*	7,853,574	9,488,975
Other receivables	194,277	804,188
VAT receivables	319,960	308,723
Prepayments	330,807	167,901
Accrued income	2,596,475	1,155,898
	11,295,093	**11,925,685**

* As at 31 March 2019, an expected credit loss provision of £404,916 (31 March 2018: £13,916) was recognised. The Group have not adopted a fully retrospective approach to the adoption of IFRS 9; the expected credit loss provision for 2018 was calculated as £150,015 and has been recognised as an opening adjustment to retained earnings. See Note 34 for more details on transition.

Included in Trade receivables are contract revenue balances outstanding.

Contract assets	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
	£	£
At 1 April	-	-
Accrued development fees	492,591	-
Maintenance contracts	167,720	-
At 31 March	**660,311**	-

15 Cash and cash equivalents

	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
	£	£
Cash at bank and hand	2,383,616	4,161,375
	2,383,616	**4,161,375**

16 Trade and other payables

	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
	£	£
Trade payables	7,266,518	12,469,913
Accruals	168,934	723,354
Other payables	809,363	1,198,950
Invoice discounting	4,602,762	4,136,998
VAT payables	388,235	524,381
Employment tax and social security	61,820	45,713
	13,297,632	**19,099,309**

17 Deferred Consideration

	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
	£	£
Deferred contingent consideration	64,376	812,039
	64,376	812,039

Balance includes fair valuation of deferred contingent consideration further disclosed in note 28.

18 Loans and borrowings

Current liabilities

	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
	£	£
Other loan - finance lease	665,738	631,244
Short term loan	1,776,969	-
	2,442,707	**631,244**

Financial liabilities	Year ended 31 Mar 2019	Year ended 31 Mar 2018 (Restated)
	£	£
Convertible Loan Notes	-	8,862,845
Other loan - finance lease	1,215,633	1,441,177
	1,215,633	**10,304,022**

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

All the Convertible Loan Notes were either redeemed or converted to Equity shares in Dec 2018. £878,825 Convertible Loan Notes were redeemed and paid. The remaining were converted to Equity shares. 5,819,642 Convertible Loan Notes were converted at £0.7 and 5,883,169 were converted at £0.86.

Of the £10.01m convertible loan notes, £9.1m were converted to shares, they were converted at the initial conversion price of £0.7m and £0.86m, this realised an increase in share capital and share premium of £9.13m. £0.9m of shares were redeemed for cash. The fair value at the date of conversation was £12k different to the carrying value of the financial liability, this has been recycled into retained earnings. The net impact on the income statement on conversion amounted to £0.2m.

AMPIL 2 Asset Limited issued loan to Stock Warehouse Company Limited, a subsidiary of Aggregated Micro Power Holdings PLC on 31st May 2018. The loan was for a principal amount of £1,750,000 with an effective interest rate of 12.5%. Stock Warehouse Company Limited pledged as security to AMPIL 2 Asset Limited 100% of their inventory. Due to the inventory balance being less than the loan balance the loan is in breach at the end of the year, this is shown within current as the loan is a rolling credit facility. Following the end of the year the loan principal was increased to £3,400,000. The loan has a term of 6 months from the date of draw down. The Loan is secured over the shares of Forest Fuels Holdings Limited.

19 Provision

	Year ended 31 Mar 2019	Year ended 31 Mar 2018 (Restated)
	£	£
Opening Balance	569,678	45,516
Additions during the year	-	568,013
Amounts used	(563,678)	(43,851)
Closing balance	6,000	569,678

The Group commenced the wood fuels restructuring plan on 1 April 2018, which is now largely complete. Restructuring the wood fuels business was required given the multiple acquisitions of UK pellet and chip suppliers in 2016, 2017 and 2018. A £569,678 restructuring provision was set aside to cover the costs of system integration, the reduction of depots and several other synergistic initiatives.

20 Share Capital

31 March 2018 - Restated	No of shares	Issued capital	Share premium	Other reserves
	Nos.	£	£	£
Ordinary shares of £0.005 each				
As at 31st March 2017	**37,810,422**	**189,053**	**12,519,616**	**9,046,180**
Issued for cash during the period	3,756,356	18,782	3,681,229	-
Issued as consideration as part of business combination	1,624,365	8,121	-	1,591,878
Share issue expense			(8,000)	-
Fair value adjustment of EMI Options				44,373
As at 31 March 2018	**43,191,143**	**215,956**	**16,192,845**	**10,682,431**

31 March 2019	No of shares	Issued capital	Share premium	Other reserves
	Nos.	£	£	£
Ordinary shares of £0.005 each				
As at 31st March 2018	**43,191,143**	**215,956**	**16,192,845**	**10,682,431**
Issued for cash during the period	8,500,000	42,500	8,457,500	-
Issued as consideration at CLN conversion	11,702,811	58,514	9,074,761	-
Share issue expense			(425,516)	-
Capital reduction*			(16,192,845)	29,101
As at 31 March 2019	**63,393,954**	**316,970**	**17,106,745**	**10,711,532**

*on 11 April 2018 there was a capital reduction where share premium was moved to retained earnings to create distributable reserves.

The Company has ordinary shares which carry no right to fixed income. Share capital represents consideration received or amounts based on fair value.

In November 2018, 8,500,000 new Ordinary Shares were issued to existing and new investors pursuant to a placing of £8.1m for cash (net of fees). These share issues were issued at a placing price of £1 per share. In December 2018 the company converted CLN holders to equity shareholders in which 5,819,642 shares were issued at a placing price of £0.7 and 5,883,169 share were issued at a placing price of £0.86.

21 Notes supporting statement of cash flows

Cash and cash equivalents for purposes of the statement of cash flows comprises:

	Year ended 31 March 2019	Year ended 31 March 2018
	£	£
Cash at bank available on demand	2,383,616	4,161,375
	2,383,616	**4,161,375**

Movement in Net Debt 2019		**Cash flow**		**Non-cash flow**		
	Opening balance		**Interest accrued**	**Debt to equity**	**New finance leases**	**Closing**
	£	£	£	£	£	£
Convertible loan	**8,862,845**	(878,825)	-	(7,984,020)	-	-
Invoice discounting	**4,136,998**	465,764	-	-	-	**4,602,762**
Finance lease	**2,072,421**	(1,066,117)	224,687	-	650,380	**1,881,371**
Short term loan	-	1,750,000	26,969	-	-	**1,776,969**

Movement in Net Debt 2018		**Cash flow**		**Non-cash flow**		
	Opening balance		**Interest accrued**	**Debt to equity**	**New finance leases**	**Closing**
	£	£	£	£	£	£
Convertible loan	**8,548,161**	-	314,687	-	-	**8,862,848**
Invoice discounting	**3,126,258**	1,010,740	-	-	-	**4,136,998**
Finance lease	**1,217,209**	(477,819)	-	-	1,333,031	**2,072,421**

*Invoice discounting of £4.6m (2018: £4.1m) has been included Trade and other payables in Note 16.

22 Subsidiaries

As at 31 March 2019, the Company had the following principal subsidiaries:

	Principal activity	Country of incorporation	Percentage of ordinary shares held 2019	2018
Aggregated Micro Power Limited	Holding company	England and Wales	100%	100%
Mathieson Biomass Limited	Non-trading	England and Wales	100%	100%
AMP Low Plains Limited *	Power and heat generation	England and Wales	100%	100%
AMP Energy Services Limited *	Development of renewable energy projects and services	England and Wales	100%	100%
Sterivert Limited *	Non-trading	England and Wales	100%	100%
Midlands Wood Fuel Limited	Non-trading	England and Wales	100%	100%
PEL (Fuels) Limited	Non-trading	England and Wales	100%	100%
Forest Fuels Holdings Limited	Holding company	England and Wales	100%	100%
AMP Biomass Fuels Ltd*	Wood fuels	England and Wales	100%	100%
Lakes Biomass Limited*	Non-trading	England and Wales	100%	100%
Forest Fuels Boiler Company Limited *	Non-trading	England and Wales	100%	100%
Highland Wood Energy Limited	Biomass Heating	Scotland	50.01%	50.01%
Billington Bioenergy Limited	Wood fuels	England and Wales	100%	100%
AMP Hull Reserve Power Limited	Project development	England and Wales	100%	100%
English Wood Fuels Limited *	Dormant	England and Wales	100%	100%
Silvapower Limited *	Dormant	England and Wales	100%	100%
North West Wood Fuels Limited *	Dormant	England and Wales	100%	100%
Anglia Biofuels Limited *	Dormant	England and Wales	100%	100%
Stock Warehouse Company Limited *	Wood fuels	England and Wales	100%	100%
Urban Reserve Ltd	Dormant	England and Wales	100%	100%
Urban Reserve (Southern) Ltd	Dormant	England and Wales	100%	100%
Urban Reserve (London) Ltd	Dormant	England and Wales	100%	100%
Urban Reserve (South East) Ltd	Dormant	England and Wales	100%	100%
Urban Reserve (Eastern) Ltd	Dormant	England and Wales	100%	100%

*Held indirectly

The registered address of all subsidiaries is 3rd Floor, 1 Dover Street, London, England, W1S 4LD

23 Associates

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

Name of associate	Principal activity	Place of incorporation	Proportion of ownership rights held by the Group
			31 March 2019
Incubex LLC	Design and promotion of financial products in environmental, energy, power and weather markets	USA	29.08%

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

	Year ended 31 March 2019	Year ended 31 March 2018
	£	£
Opening	11,410,120	2,402,945
Additions	-	1,500,000
Gain of fair value through profit and loss	-	7,507,175
Closing	**11,410,120**	**11,410,120**

In the previous year ending March 2018 the Group invested in Incubex, LLC. The Group paid a par value of $0.001 per share for Class A shares, and paid $7.50 per share for Class B shares. A gain on the investment's fair value was recognised in the income statement based on valuation techniques detailed in Note 24. The directors have undertaken a DCF valuation exercise and considered the key assumptions such as growth rates and discount rates, the investment value is unchanged.

As at 31 March 2019, IncubEx had total assets of $6.6m, cash and cash equivalents of $5.7m, current liabilities of $1.2m, zero debt and net assets of $5.4m.

24 Financial instruments - Risk Management

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

- Credit risk
- Liquidity risk
- Market price risk
- Foreign exchange risk

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

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(i) Principal financial instruments

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

- Trade and other receivables
- Cash and cash equivalents
- Investment in associate – financial asset at fair value through profit and loss
- Trade and other payables
- Loans and borrowings
- Deferred contingent consideration

24 Financial instruments – Risk Management (continued)

(ii) Financial instruments by category

Financial asset

	Financial assets measured at amortised cost		Financial assets at fair value through profit and loss	
	31 March 2019	31 March 2018 (Restated)	31 March 2019	31 March 2018 (Restated)
	£	£	£	£
Current financial assets				
Trade receivables	7,853,574	9,488,975	-	-
Cash and cash equivalents	2,383,616	4,161,375	-	-
Other receivables	2,790,754	1,960,086	-	-
	13,027,943	**15,610,436**	-	-
Non-current financial assets				
Investment in associates	-	-	11,410,120	11,410,120
	-	-	**11,410,120**	**11,410,120**

Financial Liabilities

	Financial liabilities measured at amortised cost		Financial liabilities at fair value through profit and loss	
Current financial liabilities	31 March 2019	31 March 2018 (Restated)	31 March 2019	31 March 2018 (Restated)
	£	£	£	£
Trade Payables	7,266,518	12,469,912	-	-
Accruals and Other Payables	809,363	2,492,398	-	-
Invoice Discounting	4,602,762	4,136,998	-	-
Obligation under finance lease	665,738	631,244	-	-
Short term loan	1,776,969	-		
	15,121,350	**19,730,552**	-	-
Non-Current financial liabilities				
Deferred contingent consideration	-	-	72,594	812,039
Obligation under finance lease	1,215,633	1,441,177	-	-
Loans	-	8,862,845	-	-
	1,215,633	**10,304,022**	**72,594**	**812,039**

(iii) Financial instruments not measured at fair value

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

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

(iv) Financial instruments measured at fair value

The fair value hierarchy of financial instruments is set out below

- Financial asset at fair value through profit and loss – equity investment – Level 3
- Financial liability at fair value through profit and loss – deferred consideration – Level 2

There was no transfer between levels during the year. The valuation techniques and significant unobservable inputs used in determining the fair value measurement of level 2 and level 3 financial instruments, as well as the inter-relationship between key unobservable inputs and fair value, are set out below:

24 Financial Instruments – Risk Management (continued)

Financial asset at fair value through profit and loss – equity investment – Level 3

The fair value of the Level 3 investment in associate has been determined using a discounted cash flow model. Using forecast growth rates based on the potential size of the market, a discount rate of 15% was applied to these forecasted cash flows over a 5 year period.

Quantitative information on significant unobservable inputs – equity investment – Level 3

The Directors note that the discounted cash flow valuation used to assess the carrying value of Incubex contains a number of sensitivities relating to Incubex's assumed market share, its cost base and the value of the discount rate applied. These sensitivities are shown in the table below.

Variable Sensitised	Value of AMPs 29.08% stake	Impact on AMP profit or loss
5% Increase in market share	£14,490,944	+£3,080,824
5% Decrease in market share	£8,316,044	-£3,094,076
3% Increase in costs	£11,268,902	-£141,218
3% Decrease in costs	£11,538,086	+£127,966
5% Increase in discount rate(*)	£6,655,491	-£4,754,629
5% Decrease in discount rate(*)	£20,573,539	+£9,163,419

(*) Discount rate is based on 20% with no margin of error variable

Financial liability at fair value through profit and loss – deferred consideration – Level 2

The Group's only financial liability measured at fair value through profit and loss is the deferred contingent consideration, details of the method for valuing deferred consideration is included in note 28. The deferred contingent consideration is considered a level 2, as observable inputs are used when calculating the fair value, using the Monte Carlo method.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports from the Group Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The Group's internal auditors also review the risk management policies and processes and report their findings to the Audit Committee.

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. Further details regarding these policies are set out 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 March 2019 the Group had trade receivables of £11,295,093 (2018: £11,925,685).

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:

24 Financial instruments – Risk Management (continued)

	31 March 2019	31 March 2018
	£	£
Cash balances	2,383,616	4,161,375
Trade and other receivables	10,644,328	11,449,061
	13,027,944	**15,610,436**

The Directors are unaware of any factors affecting the recoverability of outstanding balances at 31 March 2019 and 31 March 2018, expected credit loss provisions have been calculated in accordance with the policy in Note 1.

Foreign exchange risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group is predominantly exposed to currency risk on its imported pellet purchases which make up approximately 80% of total pellet volumes and are denominated in Euros. The exchange rate volatility we have seen over the year has had a negative impact on earnings of £228,919 (2018: £639,860, see Note 3). Where possible we endeavour to buy forward or when spot rates are favourable, but the volatility and downward trend we have seen in Euro Sterling has made longer term hedging expensive. The Group continues to monitor this strategy on a regular basis.

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.

Cash flow is monitored across all Group subsidiaries on a rolling 13 week forecast.

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

Period ended 31 March 2019	On demand	Less than 3 months	3 to 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 Years
	£	£	£	£	£	£
Trade Payables	453,419	6,813,099	-	-	-	-
Accruals and other payables	-	5,881,113	150,000	-	-	-
Obligation under finance lease	82,559	201,332	508,357	998,436	90,687	-
Loans and borrowings	-	-	1,776,969	-	-	-
Interest cost on finance lease	-	-	73,052	62,179	3,924	-
	535,978	**12,895,544**	**2,508,378**	**1,060,615**	**94,611**	-

Period ended 31 March 2018 Restated	On demand	Less than 3 months	3 to 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 Years
	£	£	£	£	£	£
Trade Payables	1,377,683	8,703,838	315,551	-	-	-
Accruals and other payables	113,763	8,312,968	12,000	-	-	-
Obligation under finance lease	-	42,573	139,034	592,851	1,032,887	265,076
Loans and borrowings	-	-	-	-	6,326,502	-
Interest cost on finance lease	4,249	6,572	18,267	86,798	176,064	7,522
Interest costs on loans and borrowings	-	-	930,018	803,162	803,162	-
	1,495,695	**17,065,951**	**1,414,870**	**1,482,811**	**8,338,615**	**272,598**

24 Financial instruments – Risk Management (continued)

Market price risk

The fuels business has exposed to the movement in the underlying price of fibre. Where possible the Group seeks to manage this exposure with contractual arrangements which enables it to minimise this risk. 1% increase (decrease) in the price of the fibre would result in an immaterial decrease (increase) in EBITDA margin.

Capital Management

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

The Group's objectives when maintaining capital are:

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

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors its net debt to equity ratio and looks to ensure that the business has sufficient capital and liquidity to meet required interest and principal repayments.

25 Operating lease payments	**Year ended 31 March 2019**	**Year ended 31 March 2018 (Restated)**
	£	**£**
Not more than one year	815,918	570,762
Later than one year and not later than five years	1,194,890	1,076,204
Later than five years		
	2,010,808	**1,646,966**

26 Finance lease payments	**Year ended 31 March 2019**	**Year ended 31 March 2018 (Restated)**
	£	**£**
Not more than one year	738,790	631,244
Later than one year and not later than five years	1,237,785	1,502,596
Later than five years	-	36,959
	1,976,575	**2,170,799**

27 Related party transactions

Richard Burrell, Chief Executive Officer of the Group, has a significant interest in Matheson Capital Investment Management Limited to which the Group paid a fee of £107,678 (2018: £104,550) for the provision of strategic advice and other services. Richard Burrell holds 3,195,116 shares as at 31st March 2019 in AMP Group after conversion of CLN to Equity shares. Mathieson Capital Fund Management LLP, an entity owned by Richard Burrell, holds 30,000 shares in the Group

Neil Eckert owns 9,166,647 shares as at 31st March 2019 in AMP Group after conversion of CLN to Equity shares.

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 £39,616 (2018: £5,404), of which £26,411 (2087: £3,621) is allocated to Neil Eckert and £13,205 (2018: £1,783) to Mathieson Capital LLP. More details can be found in note 28.

Sir Laurence Magnus, Non Executive Director of the Group, owns 237,085 shares as at 31st March 2019 in AMP Group after conversion of CLN to Equity shares.

Sir Brian Williamson, Non Executive Director of the Group, owns 128,571 shares as at 31st March 2019 in AMP Group after conversion of CLN to Equity shares.

Robert Bland DL, Non Executive Director of the Group, owns 337,922 shares as at 31st March 2019 in AMP Group after conversion of CLN to Equity shares.

Nicholas Soames, Non Executive Director of the Group, owns 50,000 shares in AMP Group as at 31st March 2019.

Mark Tarry, Executive Director of the Group, owns 230,000 shares in AMP Group as at 31st March 2019.

All of the transactions with related parties took place at an arm's length price. The conversion of CLN to equity shares, the Mathieson Capital Investment Management Limited agreement and the deferred contingent consideration agreements with the related parties were all made at arm's length.

28 Deferred contingent consideration and employee options

AMP Energy Services and Mathieson Biomass

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

The vesting criteria are as follows:

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

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

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

28 Deferred contingent consideration and employee options (Continued)

The derived contingent value of all 3,999,999 options has been calculated at £39,616 allocated £26,411 to Neil Eckert and £13,205 to Mathieson Capital LLP. The valuation was based on an assumed volatility of 25% (2018: 25%) 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.

AMP Biomass Fuel Ltd

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

The Forest Fuels agreement included a further deferred consideration element based on EBTIDA performance measures in the years to 31 December 2016, 31 December 2017 and 31 December 2018. The maximum number of shares which could vest was 1,500,000. The Board determined that it was in shareholders' interests to align all management incentives to the same TSR linked performance condition. Therefore a Deed of Variation between the Company and the various sellers of Forest Fuels Holdings Limited was signed on 15 February 2018 and up to 2,500,000 ordinary shares may now be issued to the sellers of Forest Fuels Holdings Limited, depending upon on the same TSR performance measures as noted above

A further Monte Carlo Simulation model was used to determine the fair value of the deferred consideration based on the terms of the AMP Energy Services Limited and Mathieson Biomass Limited model. The derived contingent value of all the 2,500,000 options has been calculated at £24,760 (2018: £309,162).

Employee EMI Options

In addition to the deferred consideration, 1,578,786 share options issued under the Group's EMI plan and the non-employee share option plan are outstanding at 31 March 2018. The options are subject to the same TSR criteria as the deferred consideration and are subject to strike prices between £0.54 and £1.075. Share options are valued on the date of issue and not revalued. The value of these options is £73,474 (2018: £44,373).

Fair value adjustment on deferred consideration	Year ended 31 March 2019	Year ended 31 March 2018
	£	£
AMP Energy Services and Mathieson Biomass	39,616	494,659
Forest Fuels	24,760	309,162
Employee EMI Options	73,474	44,373
	137,850	848,194

29 Loss per share

	Year ended 31 March 2019	Year ended 31 March 2018
	£	£
Loss attributable to equity holders of the company	(5,717,797)	(2,486,127)
Weighted average number of shares	50,187,880	39,948,247
Continuing operations basic (Pence)	**(11.39)**	**(6.22)**

The basic earnings per share have been calculated using the loss attributable to shareholders of the parent company, Aggregated Micro Power Holdings plc.

We have considered the impact of the Share options and convertible loan notes on the diluted EPS. These are anti-dilutive in both 2018 and 2019 and thus diluted EPS has not been presented for either year

30 Non-Controlling Interest

Highland Wood Energy Limited, a 50.1% owned subsidiary of the Company, has material non-controlling interests (NCI).
Summarised financial information in relation to Highland Wood Energy Limited, before intra-group eliminations, is presented below together with amounts attributable to NCI:

For the year ended 31 March	Year ended 31 March 2019	Year ended 31 March 2018
Revenue	9,032,951	5,987,326
Cost of sales	(5,655,831)	(3,795,791)
Gross Profit	3,377,120	2,191,535
Administrative expenses	(3,743,138)	(2,213,919)
Operating loss	**(366,018)**	**(22,384)**
Finance expense	(28,178)	(12,627)
Loss before tax	**(394,196)**	**(35,011)**
Tax expense	(12,954)	-
Loss after tax	**(407,150)**	**(35,011)**
Profit/(loss) allocated to NCI	(203,168)	(17,470)
Cash flows from operating activities	(717,607)	(130,569)
Cash flows from investing activities	(80,130)	20,970
Cash flows from financing activities	805,574	87,516
Net cash inflows/(outflows)	**7,837**	**(22,083)**
As at March		
Assets:		
Property plant and equipment	847,468	878,353
Inventories	412,498	426,619
Trade and other debtors	1,157,333	1,522,792
Cash and cash equivalents	142,434	134,597
Liabilities:		
Trade and other payables	1,330,735	2,077,994
Loans and borrowings	842,582	90,802
Net Assets	**386,416**	**793,565**
Accumulated non-controlling interests	192,821	395,989

31 Events after the reporting period

The Group drew down on a further stock loan of £300,000 in April 2019 and £1,800,000 in July 2019.

32 Structured Entities

Aggregated Micro Power Infrastructure 2 plc (AMPIL) is a special purpose vehicle which is wholly controlled by Law Debenture Intermediary Corporation Plc.

AMP Plc group provides a number of goods and services to AMPIL governed by contractual operating arrangements which include:

- Development fees on project sold to AMPIL – 2019 £4,438,204 (2018: £2,379,891)
- Wood fuel sales – 2019 £1,453,215 (2018: £1,177,099)
- Operational and Maintenance fees – 2019 £684,996 (2017: £612,120)
- Management services – 2019 £208,578 (2018: £732,000)

The group are also entitled to receive 100% of the excess returns in the form of deferred development fees when the outstanding loan notes in AMPIL are repaid.

33 Prior year restatement

Due to the reorganization and new management within the wood fuels division, certain issues were identified with regard to the inventory and payables system. This led management to conduct a full review of the prior period inventory balances.

Restatement A:

Inventory

During the 2019 stock take the Group conducted a management led review into prior period stock balances which included the level of accruals and the accounting for goods received not invoiced.

This review has concluded that, stock as at 31 March 2018 had been overstated due to the systems incorrectly accounting for stock movements around the 2018 year end with certain costs incorrectly being capitalised and, in addition, the closure of several depots as part of the restructure not being accurately reflected on the balance sheet. This arose due to multiple stock management systems and specific challenges of those acquired companies not operating in unison during the busy trading period known as the "Beast from the East". This led to a decrease in the inventory balance of £3.1m. In addition a further adjustment of £0.7m to intercompany eliminations between Forest Fuels and Billingtons Bioenergy.

Creditor completeness

During this period it was identified that there were a number of purchases which were incorrectly accounted for due to a back-log in processing leading to an understatement of accruals and goods received not invoiced. This led to an increase in creditors of £1.6m, which was offset by a decrease of £1.3m which related to intercompany eliminations between Forest Fuels and Billingtons Bioenergy, resulting in a net increase in creditors of £0.3m.

Restatement A:

a) increase in cost of sales of (£4,378,482) and an increase in administration expenses of (£26,122);
b) decrease in inventories of (£2,939,930);
c) decrease in trade and other receivables of (£26,122);
d) increase in trade and other payables of (£1,438,552);

Restatement B:

In addition to Restatement A, an inter-company adjustment was reported in the interim financial statements relating to the elimination of intercompany balances at cost, which took place between Forest Fuels and Billington Bioenergy.

As a result of Restatements A and B, the aggregate reduction to Retained Earnings as at 31 March 2018 is £4,404,604. The breakdown of this prior period aggregate restatement is as follows:

Restatement B:

a) decrease in inventories of (£730,134);
b) decrease in trade and other receivables of (£614,986);
c) decrease in trade and other payables of £1,345,120

All of the above errors have been corrected by restating each of the effected financial statement line items for the prior periods as follows:

Consolidated Statement of Comprehensive Income extract	Year ended 31 March 2018 (As restated)	Increase/ (Decrease)	Year ended 31 March 2018
	£	£	£
Revenue	43,162,969	-	43,162,969
Cost of sales	(38,048,103)	(4,378,482)	(33,669,621)
Gross profit	**5,114,866**	**(4,378,482)**	**9,493,348**
Other operating income	127,702	-	127,702
Administrative expenses	(11,142,051)	(26,122)	(11,115,929)
Non-recurring administrative	(461,951)	-	(461,951)
Restructuring expenses incurred	(1,119,046)	-	(1,119,046)
Restructuring provision	(569,678)	-	(569,678)
Total Administrative costs	(13,292,726)	(4,404,604)	(13,266,604)
Fair value adjustment on deferred consideration	(848,194)	-	(848,194)
Gain on financial asset at fair value through profit & loss	7,507,175	-	7,507,175
Profit/(Loss) from operations	**(1,391,177)**	**(4,404,604)**	**3,013,427**

Consolidated Balance Sheet extract	31 March 2018 (As restated)	Increase /(Decrease)	31 March 2018
	£	£	£
Non-current assets			
Property, plant and equipment	6,314,203	-	6,314,203
Investment in associate	11,410,120	-	11,410,120
Intangibles	10,138,105	-	10,138,105
Total non-current assets	**27,862,428**	-	**27,862,428**
Current assets			
Inventories	1,772,566	(3,670,064)	5,442,630
Trade and other receivables	11,987,586	(641,108)	12,628,694
Cash and cash equivalents	4,161,375	-	4,161,375
Total current assets	**17,921,527**	**(4,311,172)**	**22,232,699**
Total assets	**45,783,955**	**(4,311,172)**	**50,095,127**
Current liabilities			
Trade and other payables	19,099,309	93,433	19,005,876
Provisions	569,678	-	569,678
Loans and borrowings	631,244	-	631,244
Total current liabilities	**20,300,231**	**93,433**	**20,206,798**
Non-current liabilities			
Loans and borrowings	10,304,022	-	10,304,022
Deferred Contingent Consideration	812,039	-	812,039
Deferred tax liability	695,157		695,157
Total non-current liabilities	**11,811,218**	-	**11,811,218**
Total liabilities	**32,111,449**	**93,433**	**32,018,016**
Net assets	**13,672,506**	**(4,404,604)**	**18,077,111**

Notes to the Financial Statements

For the year ended 31 March 2019

33 Prior year restatement (continued)

The restatement for 31 March 2018 also led to a change in EPS for the previous financial year. Due to a decrease in net profit the EPS decreased from £4.85 to -£7.09.

The correction further affected some of the amounts disclosed in the Notes. Therefore, those notes are restated as well.

The 2018 comparatives have been restated in these financial statements to include the effect of the adjustments shown above. Under paragraph 10(f) of IAS 1 Presentation of financial statements, this restatement would ordinarily require the presentation of a third consolidated statement of financial position as at 1 April 2017. However, as the restatement of the provisional fair values would have no effect on the statement of financial position as at that date, the Directors do not consider that this would provide useful additional information and as consequence, have not presented a third consolidated statement of financial position due to prior period restatement.

34 Effect of change in accounting policies

The Group adopted IFRS 9 and IFRS 15 with a transition date of 1 January 2018. The group has chosen not to restate comparatives on adoption of IFRS 9 and, therefore, are not reflected in the restated prior year financial statements. Rather, these changes have been processed at the date of initial application (i.e. 1 April 2018) and recognised in the opening equity balances.

IFRS 9 Financial Instruments

IFRS 9 has replaced IAS 39 *Financial Instruments: Recognition and Measurement*, and has had an effect on the Group in the following areas:

- Impairment provision on financial assets measured at amortised cost (such as trade and other receivables) have been calculated in accordance with IFRS 9's expected credit loss model, which differs from the incurred loss model previously required by IAS 39. This has resulted in an increase/decrease to the impairment provision at 1 April 2018 from that previously reported of £150,015.

The transition method requires a retrospective application for the first time adoption of IFRS 9, however the standard has allowed an exemption to not restate the comparative information with differences being recorded in opening retained earnings, these changes have been processed at the date of initial application (i.e. 1 April 2018), and presented in the statement of changes in equity for the year ended 31 March 2019.

IFRS 9 considerations

Classification and measurement
There was no impact to the annual consolidated financial position resulting from the Group applying the classification and measurement requirements of IFRS 9.

Impairment
The adoption of IFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss approach.

To incorporate forward-looking information into the expected credit loss model, the following information was used; the debtor's age analysis, the bad debt allowance history for the past three years, and the credit score against each customer. Management have used this information to support their assumptions when compiling a provision matrix.

The Group will apply the simplified approach on all trade receivables and contract assets.

34 Effect of change in accounting policies (continued)

IFRS 15 Revenue from Contracts with Customers

IFRS 15 established a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 considerations

Sale of goods

The group historically recognised wood fuel sales on delivery to the customer. The Group's contracts with customers for the sale of wood fuels generally includes one performance obligation being the delivery of such wood fuel. The Group has concluded that the revenue from the sale of wood fuel should be recognised at a point in time when control of the asset is transferred to the customer which is upon delivery. This is consistent with current recognition and the adoption of IFRS 15 does not have any impact on revenue recognition on wood fuel sales.

Rendering of services

Operations and maintenance contracts

The Group's contracts with customers to provide operations and maintenance services which includes scheduled maintenance services and emergency call out services. These services are either combined into a single customer contract or are supplied separately.

Maintenance service revenue has been recognised on a straight line basis rather than on delivery of the service. IFRS 15 requires revenue to be recognised at the time when the services performance obligations (i.e. the services required under the contract) are completed. There is however no impact at 31 March 2019 as these timing differences between revenue recognition and the delivery of the performance obligations, were eliminated over the course of the full year as contract terms run concurrently with the year end and cyclical heating season. Therefore, this recognition is in accordance with IFRS 15 and no adjustments have been made.

Historically emergency call out services and any spare parts used during these call outs are recognised at a point in time when the service is requested and adoption of IFRS 15 would not impact this recognition.

RHI support and consultancy service

The Group's RHI support and consultancy services are provided throughout the year via a monthly subscription service and the revenue should be recognised over time as the services are rendered as the customers simultaneously receive and consume the benefits provided by the Group. There is no impact on the revenue recognition following the adoption of IFRS 15.

34 Effect of change in accounting policies (continued)

Heat Supply sales

The Group's contracts with customers to provide heat supply sales is a combined contract which includes:

- the supply of heat from the combustion of wood fuel; and,
- the provision of operations and maintenance services.

Each service has distinct performance obligations and is delivered at different times. Revenue from these contracts however has been recognised as a combined service on a £/Kilowatt-hour basis multiplied by the amount of heat supplied as measured on the heat meter. Following adoption of IFRS 15 individual streams should be recognised when the performance obligations under each has been completed.

There are no changes to the revenue recognition for the heat supply component of the contract because heat is generated and sold to the customer simultaneously. Meanwhile, revenue from the operation and maintenance services is a small percentage of the revenue generated from these contracts. These contracts run concurrently with the financial year. Therefore, the adoption of IFRS 15 did not have any impact on revenue recognition of the Heat supply sales.

Project revenue and development fees

The Group's contracts with customers to provide asset management services, asset development, and portfolio management service generally all have one performance obligation.

Asset management services are recognised on a straight-line basis over time, as the benefits provided by the Group are received and consumed in equal measure over the course of a year.

Asset development fees are recognised when they are probable, which is at a point in time when control has passed to the end customer. Control is considered to have passed when all key contracts have been signed and substantially all work has been completed or when payment for the project has been received. Development costs associated with these projects are typically passed on to the buyer and where this is not possible these are costs are considered for impairment in line with IFRS 9 using the simplified model.

Portfolio management service fees are recognised on a straight-line basis over time, as the benefits provided by the Group are also received and consumed in equal measure over the course of a year.

Therefore, the adoption of IFRS 15 did not have any impact on revenue recognition of the above services.

Company Statement of Financial Position

For the year ended 31 March 2018

	Note	31 March 2019 £	31 March 2018 £
Fixed assets			
Tangible Fixed Assets	43	283,407	357,794
Investments in subsidiaries	38	11,754,644	12,054,644
Investments in associate	23	11,410,120	11,410,120
Total non-current assets		**23,448,171**	**23,822,558**
Current assets			
Debtors: Amounts falling due within one year	40	16,351,146	7,617,840
Cash and cash equivalents		24,216	135,564
Total current assets		**16,375,362**	**7,753,405**
Current liabilities			
Creditors: amount falling due within one year	40	224,799	407,069
Total current liabilities		**224,799**	**407,069**
Total assets less current liabilities		**39,598,734**	**31,168,894**
Non-current liabilities			
Loans and borrowings	42	-	8,862,845
Deferred Tax Liability		24,688	-
Deferred Contingent Consideration	17	72,594	812,039
Total non-current liabilities		**97,282**	**9,674,884**
Total liabilities		**322,081**	**10,081,953**
Net current assets		**16,150,563**	**7,346,336**
Net assets		**39,501,452**	**21,494,010**
Equity attributable to equity holders of the company			
Paid up share capital	20	316,970	215,956
Share premium account	20	17,106,745	16,192,845
Other reserve		10,711,532	10,682,431
Convertible debt option reserve		-	1,149,255
Retained earnings		11,366,205	(6,746,478)
Total equity		**39,501,452**	**21,494,010**

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the company is not presented as part of these financial statements. The company's total comprehensive loss for the financial year was £1,698,548 (2018: profit of £4,001,089). The company financial statements were authorised for issue by the board of Directors on 30th September 2019 by:

Richard Burrell
Chief Executive Officer

The notes on pages 69 to 72 form part of these company financial statement

Company Statement of Changes in Equity

For the year ended 31 March 2019

Period ended 31 March 2018	Share capital £	Share premium £	Other Reserve £	Convertible debt option reserve £	Retained earnings £	Total £
Equity as at 1 April 2017	189,052	12,519,616	9,046,180	1,453,603	(11,051,914)	12,156,536
Profit for the period	-	-	-	-	4,001,089	4,001,089
Total comprehensive income	-	-	-	-	4,001,089	4,001,089
Issue of share capital	26,904	3,681,229	1,591,878		-	5,300,011
Share issue cost	-	(8,000)			-	(8,000)
Equity element of convertible loan notes	-	-	-	(304,348)	304,348	-
Fair value adjustment of EMI Options			44,373			44,373
Equity as at 31 March 2018	**215,956**	**16,192,845**	**10,682,431**	**1,149,255**	**(6,746,477)**	**21,494,009**

Period ended 31 March 2019	Share capital £	Share premium £	Other Reserve £	Convertible debt option reserve £	Retained earnings £	Total £
Equity as at 1 April 2018	215,956	16,192,845	10,682,431	1,149,255	(6,746,477)	21,494,009
Profit for the period					1,698,548	1,698,548
Total comprehensive income					1,698,548	1,698,548
Issue of share capital	42,500	8,457,500	-	-	-	8,500,000
Capital Reduction	-	(16,192,845)	-	-	16,192,845	-
Share issue cost	-	(425,516)	-	-	-	(425,516)
Equity Element of convertible debt	-	-	-	(209,550)	209,550	-
Conversion of convertible	58,514	9,074,761	-	(939,705)	11,739	8,205,309
Fair value adjustment of EMI Options	-	-	29,101	-	-	29,101
Equity as at 31 March 2019	**316,970**	**17,106,745**	**10,711,532**	**-**	**11,366,205**	**39,501,452**

Share capital: Nominal value of shares issued.
Share premium: Amount subscribed for share capital in excess of the nominal value.
Retained earnings: All other net profits and transactions with owners (e.g. dividends) not recognised elsewhere.
Other reserve: Amount raised through the use of a cashbox structure and applying merger relief on business combination where the consideration for shares in another company includes issued shares and on completion of the transaction, the company issuing the shares will have secured at least a 90% equity holding in the other company.
Convertible debt option reserve: Amount recorded as equity on the initial fair value measurement of issued convertible loan notes

The Notes on pages 69 to 72 form part of these company financial statements.

35 Accounting policies

The financial statements of the company for the year ended 31 March 2019 have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland issued by the Financial Reporting Council.

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

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

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

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

Investments in subsidiary undertakings4
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.

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

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

36 Employees

The company had no direct employees, other than the Directors, in the period to 31 March 2019. No costs of employment were recharged to the company in the period to 31 March 2019.

37 Directors

Details of the remuneration of the company's Directors are outlined in Note 7 of the Group's financial statements and the director's report. 4 non-executive Directors were remunerated (Total: £70,000) from the company in year ended March 2019. 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.

38 Investments

	Year ended 31 March 2019	Year ended 31 March 2018
	£	£
Cost at 1 April 2018	12,054,644	9,196,103
MI Generation investment transfer	(300,000)	-
Additions	-	2,858,541
Cost at 31 March 2019	11,754,644	12,054,644

Mi-Generation transfer related to costs paid by AMP PLC on behalf of Forest Fuel Limited for the acquisition of the Mi-Generation contracts, this amount has been removed from investment and transferred to Forest Fuels Limited.

39 Principal subsidiary undertakings

The principal subsidiary undertakings of the company are disclosed in Note 22 of the Group financial statements. Their activities are described in the strategic report.

40 Debtors

	Year Ended 31 March 2019	Year Ended 31 March 2018
	£	£
Debtors: Amounts falling due within one year		
Prepayments	199,911	80,355
Other debtors	53,235	64,185
Amounts owed by Group undertakings	16,098,000	7,553,655
	16,351,146	**7,698,195**

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

41 Creditors: amounts falling within one year

	Year Ended 31 March 2019	Year Ended 31 March 2018
	£	£
Trade creditors due within 1 year	84,284	208,059
Accruals	47,559	79,786
Other creditors	92,956	119,224
	224,799	**407,069**

42 Financial instruments

	Financial assets measured at fair value	
	31 March 2019	31 March 2018
	£	£
Current financial assets		
Debtors	-	6,891
Cash	24,216	135,565
Other receivables	16,098,000	7,610,949
	16,122,216	**7,753,405**

	Financial liabilities measured at Fair value through profit and loss	
Current financial liabilities	31 March 2019	31 March 2018
	£	£
Creditors	224,799	476,724
	224,799	**476,724**

	Financial liabilities measured at amortised cost	
Non-Current financial liabilities	31 March 2019	31 March 2018
	£	£
Loans and borrowings	-	8,862,845
	-	**8,862,845**

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

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

43 Plant, Property and Equipment

	Furniture & fixture £	Office Equipment £	Computer Equipment £	Total £
Cost				
As at 1 April 2018	303,439	31,374	47,948	382,761
Additions	27,998	13,895	17,123	59,016
As at 31 March 2019	**331,437**	**45,269**	**65,071**	**441,777**
Depreciation				
As at 1 April 2018	18,751	1,672	4,543	24,966
Charge for the period	101,542	11,616	20,246	133,404
As at 31 March 2019	**120,293**	**13,288**	**24,789**	**158,370**
Net book value	-	-	-	-
As at 1 April 2018	284,687	29,702	43,405	357,794
As at 31 March 2019	**211,144**	**31,981**	**40,282**	**283,407**

44 Financial and capital commitments

The company had no financial or capital commitments at 31 March 2019.