

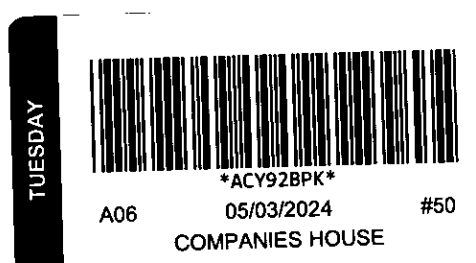
AGGREGATED MICRO POWER HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2023

REGISTRATION NO: 08372177



AGGREGATED MICRO POWER HOLDINGS LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | Richard Burrell (resigned on 11 November 2022) Mark Tarry Nicole Hildebrand Antonio Haya Guido Lucio Mitrani (resigned on 28 September 2023) |
| Registered Number | 08372177 |
| Registered Office | 3 rd Floor, 1 Dover Street London W1S 4LD |
| Auditors | Deloitte LLP 2 New St Square London United Kingdom EC4A 3BZ |
| Accountants | EPIC Investment Partners Audrey House 16-20 Ely Place London EC1N 6SN |
| Bankers | NatWest 135 Bishopsgate London EC2M 3UR |

AGGREGATED MICRO POWER HOLDINGS LIMITED

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AGGREGATED MICRO POWER HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Board of directors is pleased to present the strategic report for the Aggregated Micro Power Holdings Limited Group (the "Group" / "AMP Clean Energy") for the year ended 31 March 2023.

AMP Clean Energy consists of business units which develops, own and operate energy assets, and in addition provides O&M services and wood fuel sales services to small and large energy asset owners across the UK. Aggregated Micro Power Holdings Limited is principally a parent company which owns and controls the subsidiary companies within the Group and makes investments in energy companies focused on the energy transition.

Results

Revenues increased by £75.8m during the year to £126.4m (from £50.6m in 2022) driven largely by increased electricity, wood fuel and biomass heat sales.

The Group increased its generating capacity to 230MW during the year (from 150MW in 2022), comprising 86MW in industrial and commercial heat (67MW in 2022) and 143MW in flexible generation of electricity (83MW in 2022). A further 23MW of flexible generation projects were in construction at year end.

Electricity income rose by £26.5m to £41.2m (from £14.7m in 2022) due to a combination of an additional 80MW of gas peaking plants being operational and exceptional power markets resulting from Russia's invasion of Ukraine and the unexpected outages of EDF's nuclear power plants in France. The group has adopted a hedging strategy which enabled it to forward fix spark spreads over the Winter generating a further £29.7m of revenue.

Revenues from wood fuel sales rose by £17.2m to £45.8 (from £28.6m in 2022) as a result of significant increases in wood fibre prices as a consequence of the war in Ukraine which led to sanctions on the import of wood pellets from Russia and Belarus.

RHI income rose by £2.1m to £6.6m (from £4.5m in 2022) due to 19MW of new RHI accredited assets being commissioned in the year.

The group additionally saw an uptick in revenues of £0.3m to £2.6m (from £2.3m in 2022) from Operations and Maintenance (O&M) sales, as the number of customer sites we service increased.

Gross profit increased to £72.5m (£19.0m in 2022) and adjusted EBITDA, the Group's main financial KPI, increased to £54.7m (£7.8m in 2022). The Group recorded a profit after tax of £21.9m (from a loss after tax of £9.1m in 2022).

Net Assets decreased during the year to £(41.8)m (from £76.9m in 2022) as the increase in net assets resulting from the profit for the year and investment in fixed assets has been offset by the conversion of 90% of the group ordinary shares to £150.7m of preference shares which have been accounted for as a non-current liability due to an accounting technicality. Post year end the groups articles have been amended and the preference shares reclassified as equity, this has increased the group net asset value by £150.8m. If the preference shares had been accounted for as equity from their creation the net assets of the Group at 31st March 2023 would have been £110.5m.

Finally, we saw a marked improvement in operating cash flow as assets have come online generating £52.4m of operating cash during the year. We also invested £29.0m of cash into new energy projects. Our growth during the year has been funded via a mix of operating cash and the issuance to the Group's parent, Fossa HoldCo Limited, of 8.2m shares for cash consideration of £8.2m. The closing cash balance for year was £38.8m.

AGGREGATED MICRO POWER HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

The Group considers its Key Performance Indicators to be Revenues and earnings before interest, taxation, depreciation and amortization ("Adjusted EBITDA"). Non-financial Performance Indicators are covered in the s172 and SECR sections below.

AMP Clean Energy Group strategy

AMP Clean Energy is an energy company focused on the energy transition, one of the key challenges of our time. We've been doing what we do for more than a decade and have hundreds of projects in operation and many boots on the ground.

Our strategic focus is on two main areas at the heart of the energy transition:

- the decarbonisation of industrial and commercial heat;
- the flexible generation and storage of electricity.

The Group helps businesses tackle arguably the hardest area of the energy transition, namely heat de-carbonisation, energy security and optimising the use of intermittent renewables. We believe energy is best made and stored locally, close to energy demand and our customers, because being local minimizes energy losses, saves carbon, avoids grid constraints, and results in better customer solutions. Our projects generate and store energy where and when it's needed most.

The Group develops, owns and operates projects which means we develop projects as only a long-term owner would do. The Group owns over 23 operating assets including 154 biomass boilers and 82 gas reciprocating engines, and runs over 70 delivery trucks and field service vehicles, employing more than 180 people of which 40 are service engineers. The Group believes it is best placed to run its own developed energy assets, which includes engineering services and wood fuel supply and to make these same energy services available to our customers.

AMP reports its results through five business units: AMPIL Group, AMP Project Finco Group, Energy Services, Project Development, and Shared Services.

AMPIL Group

AMPIL Group is our largest asset owning vehicle which has been wholly owned by the Group since its acquisition in July 2020). AMPIL Group is made up of several project SPVs which have been funded via the issuance of listed loan notes. AMPIL generates revenues from the sale of electricity and renewable heat. It also receives the Renewable Heat Incentive, a 20-year inflation linked subsidy, and Capacity Market payments which are inflation linked contracts with a term of 1-15 years to supply national grid with reserve power in a system stress event. AMPIL has no employees; instead, services such as operation maintenance, wood fuel supply, project development and asset management are provided to AMPIL by other Group companies.

During the financial year AMPIL's Adjusted EBITDA increased to £58.3m (2022 - £11.4m). This increase has been driven by a combination of an increase in the number of commissioned gas peaking and biomass plants in the AMPIL Group and favourable power markets which enabled the Group to sell power forward at favourable spreads.

AMP Project Finco Group

This group was set up in October 2022 and since incorporation has raised £23m to finance the purchase of Ashford Power Limited (a 21MW gas peaking plant) and the construction of 5 Urban Reserve sites with a combined output of 22.5MW.

During the financial year AMP Project Finco Adjusted EBITDA increased to £0.04m (2022 - nil).

AGGREGATED MICRO POWER HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

Energy Services

The Group provides energy services including operation and maintenance and wood fuel supply to AMPIL because we believe we are best placed to look after our own assets for the long term and provide these same services to customers. Our wood fuels business sells high quality, RHI compliant, wood chip and wood pellet to customers throughout the UK in the form of fuel only contracts, heat contracts and/or fuels plus operation and maintenance. The Group delivers fuel to around 3,000 biomass boiler systems and provides service and maintenance to over 1,000 energy systems.

During the financial year Energy Services' Adjusted EBITDA improved to £1.77m (£0.63m - 2022).

Project Development

Our project development activities are closely aligned to our strategy which is focused on the decarbonisation of industrial and commercial heat, and the flexible generation and storage of electricity.

Decarbonisation of industrial and commercial heat

Our Customer Solutions team helps industrial and commercial businesses decarbonise their heat. The team works with customers to understand their energy use profiles and develop the most cost-effective energy solution from a range of technologies including biomass boilers, electric boilers, gas CHP and hydrogen. These technologies are typically incorporated into new purpose-built energy centres located on a customer's site, delivering energy close to the point of consumption. We fund the cost of the energy centre and once built we operate and maintain it, and our customers pay for the energy they consume.

Flexible generation and storage of electricity

Our grid solutions team develops projects which can generate electricity flexibly and on demand, and then store electricity close to where it's needed. As intermittent renewables (such as wind and solar) make up an increasing share of the energy mix, these flexible assets will play an increasingly valuable role balancing the grid and ensuring security of supply.

The team works with landowners to identify the best sites which are often in urban areas where the demand for electricity is highest and where the distribution networks are increasingly constrained. This means our projects are smaller than traditional power plant or energy storage sites and connect into the grid at lower voltages.

Our flexible generation projects use gas engines controlled and optimised remotely, to generate electricity when its needed most. We develop these projects under the name of Urban Reserve and connect into the distribution network at 11kV.

Our electricity storage projects use 4-hour duration batteries also controlled and optimised remotely, to import and discharge electricity between and during morning and evening peaks. We develop these projects under the names of Urban Reserve Storage where we connect into the distribution network at 11kV and Battery Box where we connect at 400V.

During the financial year Project Development Adjusted EBITDA decreased to (£2.36 m) (2022 - £1.24m) as a result of developing a longer-term pipeline of projects which are expected to reach financial close in financial years 2024 and 2025.

AGGREGATED MICRO POWER HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

Shared Services

The Shared Services teams are made up of dedicated HSEQ, finance, legal, marketing and HR professionals who play a key part in supporting our daily operations, our safety processes and culture and our people. These functions are at the heart of our development and service platform and provide the foundation for our strategic growth.

Policy

Financial year 2022-23 has seen no let-up in either the high level political debate on reaching net zero, or in the progression of the detailed policy and regulatory reforms required to get us there. While the Prime Minister was roundly criticised for pushing back the dates for ending the installation of new domestic fossil fuel boilers and the purchase of petrol and diesel vehicles, the reality is that Government remains committed to meeting its 2050 target and has outlined a whole series of fundamental changes designed to maintain or accelerate progress in other areas. Ministers have finally grasped the nettle on delivery of grid, setting a target to halve the time taken to deliver transmission upgrades through process and planning reforms, and the introduction of community benefits for people living close to new infrastructure. Separately, National Grid ESO has published its first Transitional Centralised Strategic Network Plan, detailing upgrades to be delivered by the early 2030s which are equivalent to four times the grid infrastructure built in the last 30 years, with another significant expansion to be announced early next year.

On connections, National Grid ESO and the DNOs have made changes to allow them to remove 'zombie projects' from connection queues, to move away from the first-come, first-serve allocation of capacity, and to recognise the value that electricity storage to the energy system.

Whilst CfD Allocation Round 5 disappointed, with not a single MW of offshore wind entering the auction, the long term growth story of renewables remains intact. Government remains committed to 50GW of offshore wind by 2030, and is working to unlock up to 70GW of solar by 2035. The Labour Party is aiming for 55GW of offshore wind if elected, with a change of government widely seen as heralding a further speeding up of investment in clean energy generation and infrastructure.

The Scottish Government continues to fly the flag for onshore wind, with a new target of 20GW by 2030, and the award of a further 5.7GW of offshore wind options taking the Scottish offshore wind pipeline to some 40GW.

The creation of stronger flexibility markets remains a key focus, with Ofgem now consulting on a new 'market facilitator' for distribution-connected flex, and a number of changes resulting in faster connections and lower charges for transmission-scale battery storage. However, there is general acceptance that gas-fired generation will be an important part of the electricity mix for some time to come, with the Climate Change Committee concluding that this is likely to contribute around 2% of GB power in 2035, and government yet to introduce new emissions caps to the Capacity Market. Having spent much time and energy on enabling hydrogen production and carbon capture and storage, Government finally turned its attention to industrial electrification, with a Call for Evidence earlier this year, and a pledge to reduce electricity costs through the 'rebalancing' of gas and power bills. We continue to push for the removal of levies to pay for renewables subsidies to that end, a step which would reinforce further our eboiler proposition for manufacturing operations below 240°C

Looking ahead, the largest item on the horizon is the next phase of the Government's Review of Electricity Market Arrangements, which threatens the biggest shake up of the GB electricity market since it was introduced in 2005. Industry anticipates that ministers will drop the most radical option of nodal pricing from proposals, meaning it will be a straight run-off between the renewable sector's favoured option of further evolution of the CfD versus the revolutionary change of zonal

AGGREGATED MICRO POWER HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

Policy (continued)

pricing. We also expect greater clarity on Government's thinking on flex markets, with industry bodies supporting a greater role for regional balancing markets.

Our strategy of focusing on flexible assets which provide system resilience and benefits to our customers, whether the sun is shining or wind is blowing, means we are well-placed to capitalise on the ever greater imbalances in the GB electricity system as the country continues to roll out all forms of mature renewables and embarks on the biggest ever programme of investment in our electricity networks.

Future Developments

The Group's core purpose is to support the energy transition and is committed to its strategy of developing, owning and operating a diversified pool of assets, focused on industrial and commercial heat decarbonisation and the flexible generation and storage of electricity. Post year end, the Group continues to invest free operating cash flow back into new projects and has raised £26m of debt finding to finance the construction of a £45m energy centre combining biomass and electric boilers to de-carbonise a maltings in the north of England. We have also increased an existing debt facility by a further £15m to fund the construction of our first battery projects, which in total will provide 90MWh of electricity storage.

The Directors expect the general level of activity to increase in the forthcoming year. This is a result of 23MW of gas peaking plants being commissioned and the full year impact of the gas peaking plants and biomass energy centres which were commissioned in 2023. The Directors recognised that 2023 was an exceptional year in European Power markets, and they do not anticipate any spark fix income in 2024.

Despite a raft of policy announcements and the huge volatility we have seen in energy markets over the last 12 months, we continue to believe that our business is well-placed to capitalise on the future growth of distributed and low carbon energy infrastructure. The Directors do not anticipate that events beyond the companies control will have a significant impact in 2024, the Group has proved to be resilient through COVID, the energy crisis and this is forecast to continue.

Decarbonisation of industrial and commercial heat

The UK ETS is one of the main policy levers designed to reduce emissions from industry across the UK. The UK ETS broadly followed the EU ETS when introduced in 2022, but Government has now set out plans to align the UK ETS cap with the delivery pathway set out in its Net Zero Strategy Pathway, resulting in faster reductions in emissions.

While welcoming the move, the Climate Change Committee also called for the Government to more strongly incentivise decarbonisation.

It is clear to us that the increased 'penalties' on carbon – and the increases in fossil fuel prices over the last 18 months, as well as consumer demand – are driving more businesses to confront the challenges of decarbonising their operations.

AMP Clean Energy is also actively exploring the development of electric boilers and hydrogen as a low/no carbon fuel for manufacturing.

AGGREGATED MICRO POWER HOLDINGS LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)
Flexible generation and storage of electricity

The main drivers of change in the power market are the 2030 target for 50GW of offshore wind and the commitment to a decarbonised power system by 2035 (subject to security of supply).

The former has focused minds on the challenges to massively upgrading our electricity networks as we seek to connect significantly greater volumes of renewable power, and the latter is very much the focus for the Government's ongoing Review of Electricity Market Arrangements (REMA), the most fundamental review of the GB electricity market since its creation in 2005.

While much of the debate around REMA has been on the impact on renewable energy investment from proposals which would either split the current market by (i) generation archetype (seeking to break the link between dispatchable plant and zero short-run marginal cost nuclear) or (ii) by geography (through the introduction of locational marginal pricing), the review is also very much designed to deliver 'more accurate signals' to support investment in flexibility. Moreover, the Climate Change Committee "Delivering a reliable decarbonised power system" report called for Government to 'give equal focus to low-carbon flexible solutions as to the full delivery of its existing renewables and nuclear commitments', stating this is 'vital to ensuring the future variable renewable-dominated electricity system is reliable and resilient to potential future weather extremes'. The same report identifies a need for some 17GW of electricity storage by 2035. Notably, it also considers around 11.5TWh of power output from unabated gas-fired generation 'to be consistent with ensuring security of supply in a cost-effective manner without excessive adverse impact on emissions'.

Over and above changes to the electricity market, Ofgem has also acknowledged the potential benefits from changes to systems and governance to unlock distributed flexibility and is proposing a new model of regional energy system planning and market facilitation of flexible resources to deliver more accessible, transparent and coordinated flexibility markets.

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.

AGGREGATED MICRO POWER HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

Risk factors

The following table shows the principal risks the group is exposed to and the group's approach to mitigating the risk.

| | |
|--|---|
| Power Price | In the case of its flexible generation projects, the Group seeks to reduce market risk by originating projects which have a high proportion of either contracted or regulated income. The Group has secured many valuable Capacity Market contracts with National Grid and Flexibility contracts with distribution network operators. Finally, where forward spreads are positive and sufficiently attractive, the group will look to hedge a portion of its merchant income by entering into spark spread fix arrangements. |
| Regulatory Risk | The group's gas engines generate electricity which is exported to the national grid. This market is regulated by OFGEM and there is a risk that regulatory changes could adversely impact the group. We have a contract with an external government relations agency, Hutcheson Associates, which assists us in communicating with appropriate Government and regulatory bodies |
| Supply Risk | The group's gas engines are all connected to the UK mains gas networks and there has never been a gas emergency in the UK when the gas network has not operated effectively this is now more of a risk following the war in Ukraine and the reduction of Russian Gas supplies to Europe. |
| Heat price | The Group typically enters into long term heat supply arrangements. The Group manages the fuel price risk by linking the heat price in large part to the underlying price of wood fuel. |
| Fuel price risk | For larger contracts, the Group aims to match customer contracts with specific fixed prices from fuel suppliers to match volumes and avoid in-year exposure to rising input prices. The Group has established annual supply contracts with multiple suppliers to minimise exposure and supply shortages where these are available at a reasonable price. The Group 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 fibre price rises to be passed on periodically. |
| Credit risk | The Group manages its credit risk during the onboarding process of its customers and suppliers. The ongoing credit status of our customers and any aged debt is regularly reviewed by our credit control team. Due to the increase in the groups cash balance the Group is exposed to a credit risk with its banks and this is closely monitored. |
| 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 assessments have 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. See S172 statement below for more details. |
| Planning and grid connection risk | The Group will seek to minimise the extent of exposure and financial commitment prior to successful planning and grid connection approvals. |

Section 172(1) Statement

Under section 172(1) of the Companies Act 2006 the Directors of the Group are required to explain how they considered the interests of key stakeholders and the broader matters set out in sections 172(1) (A) to (F) when performing their duty to promote the success of the Company. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company.

AGGREGATED MICRO POWER HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

The Group's stakeholders consist of customers, Government/regulatory bodies, employees, financial stakeholders and suppliers.

The S172 statement focuses on matters of strategic importance to the Group, and the level of information disclosed is consistent with the size and the complexity of the business.

S172(1) (A) "The likely consequences of any decision in the long term"

Management have developed a detailed 4-year business plan in conjunction with the Group's shareholder, Asterion Industrial Partners ("Asterion"). This plan aims to maximise the value of the Group and the impact of any long-term decisions on the 4-year plan is carefully assessed by the directors at monthly board meetings. This plan involves developing, owning and operating flexible generation and biomass energy centres. During the year the group has continued the development of flexible generation assets, acquiring Ashford Power and started construction of 5 further flexible generation sites. Post year end the group has stated construction of its largest biomass plant to date.

S172(1) (B) "The interests of the company's employees"

The Company maintains frequent communications with its employees through a variety of means which is consistent with its Environmental, Social and Governance (ESG) objectives including:

- regular all staff communications through an internal communications platform, training sessions and briefing emails relating to all relevant business matters.
- a semi-annual strategic meeting, run by the CEO, focusing on results year to date and any update on future plans and initiatives;
- the senior leadership team meets once a month and following these meetings, managers cascade to their direct reports any specific matters arising; and
- all HSEQ (Health, Safety, Environment and Quality) policies are communicated to staff through line managers and town hall's to ensure proper compliance, training and reporting of incidents.

S172(1) (C) "The need to foster the company's business relationships with suppliers, customers and others"

Suppliers

Our Suppliers are subject to a Pre-qualification assessment to mitigate against contractual and financial risk. Communication is critical to any interaction, with regular meetings held with key suppliers to iron out any operational issues and highlight changes to the Group or Vendor situation. As part of our continuous improvement, we are always challenging current ways of working, by implementing standardised Procurement policies and procedures in place for strategic suppliers, this keeps the business performing by leveraging commercial activities and making informed supply decisions across the Group.

Customers

The Group puts customers at the core of everything we do. We have an effective and efficient onboarding process for new customers, welcoming them to AMP and for existing customers ensure we communicate regularly, particularly on any contractual changes or opening times. We partner with customers on case studies and testimonials to take regular soundings on customer satisfaction levels across the Group.

Government /Regulatory bodies

We have a contract with an external government relations agency, Hutcheson Associates, which assists us in communicating with appropriate Government and regulatory bodies (such as the Department of Business, Energy and Industrial Strategy) whenever there are changes that affect our operations or our industry.

Shareholders

Our executive team has monthly Board meetings with Asterion, the Group's owners, to review the Group's performance, address any opportunities and challenges and to discuss the long-term impact of any decisions being made.

AGGREGATED MICRO POWER HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

S172(1) (D) "The impact of the company's operations on the community and the environment"

The Group has a Group HSEQ Manager who is responsible of all environmental matters across the Group.

The Group's ethos is to minimise its environmental impact and help other businesses to do the same, in order to help the United Kingdom reach its net zero emissions target by 2050. The Group has a charity fund which support local charities.

In all of our activities, practices and business relationships, the Group is committed to protecting, conserving and enhancing all aspects of the environment over which it has control in order to deliver a reduction in the Group's environmental footprint.

Asterion actively engages with its portfolio companies on a range of ESG (Environmental, Social and Governance) factors relevant to the core sector of its investment. The company continues to engage a leading ESG consultancy firm monitor ESG KPIs and work with the Company's teams for continuous improvement.

S172(1) (E) "The desirability of the company maintaining a reputation for high standards of business conduct"

The company is committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate. It is important that all employees, contractors or third parties are able to voice genuine concerns freely and/or disclose information relating to possible malpractice which they encounter in the course of their work for the Group and there is an Group Whistleblowing and an Anti-bribery and Corruption policy in place to address any illegal or unethical conduct or situations. Mandatory training courses for employees regarding anti-bribery, modern slavery, whistleblowing and equality, diversity and inclusion.

In line with these policies, the Company has processes in place for any unethical situation to be raised confidentially via various communication channels including line managers, HR, a dedicated Whistleblowing officer and the Legal team.

S172(1) (F) "The need to act fairly as between members of the company"

The Group maintains strict, arms-length, commercial arrangements and contracts between all companies within the Group. The Group also provides accurate and timely information to shareholders and convenes once a month to discuss performance progress and provide a general business update.


Key strategic decisions in the year

During the year the directors put in place a new financing arrangement with an international credit fund to borrow £23.1m to finance the purchase of a 21MW gas peaking plant, Ashford Power and to finance the construction of Phase 5a Urban Reserve 23MWe.

The directors put on hold a plan to re-finance the AMPIL bonds due as a result of the rise in forward swap rates, this has resulted in an exceptional cost of £2.5m in this financial year.

This Strategic Report was approved by the Board of Directors of the company on the 20th December 2023 and signed on their behalf by:

DocuSigned by:



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Mark Tarry
Chief Executive Officer

AGGREGATED MICRO POWER HOLDINGS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 31 March 2023.

Strategic report

A review of the business and future developments of the Group are included within the strategic report (page 4-12) and form part of this report by cross reference.

Directors

The directors who held office during the year and up to the date of signing the financial statements were:

Guido Lucio Mitrani (resigned on 28 September 2023)

Richard Burrell (resigned on 11 November 2022)

Mark Tarry

Nicole Hildebrand

Antonio Haya

Qualifying third party indemnity provisions

The company has put in qualifying third party indemnity provisions for all directors. Aggregated Micro Power Holdings Limited maintains director and officer insurance cover with a limit of liability of £5 million. This applies to Aggregated Micro Power Holdings Limited and each subsidiary company (excluding Aggregated Micro Power Infrastructure 2 plc).

Aggregated Micro Power Infrastructure 2 plc maintains a separate policy applicable to its own subsidiaries, also attached.

Directors' responsibilities

The Directors are responsible for preparing the Annual 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 United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. The directors have chosen to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and company and of the profit or loss of the Group for that period.

In preparing the parent company 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 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.

AGGREGATED MICRO POWER HOLDINGS LIMITED DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

In preparing the group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. 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.

Auditors

Deloitte were deemed re-appointed as auditors in accordance with section 487 of the Companies Act 2006.

Going concern

As at 31 March 2023 the Group had £38.8m in cash and net current assets of £47.9m. The performance in the year to 31 March 2023 saw Group Adjusted EBITDA of £54.7m. Reconciliation to Adjusted EBITDA has been performed at note 25.

The Group has also secured a new £26m facility from an international bank to finance the continued growth of its flexible generation portfolio, and has funded its operating portfolio via long dated fixed interest rate loan notes which mature in 2036. This new facility, the long-dated tenor of the loan notes, the nature of the Group's operating assets and projects in construction, and the Group's current trading performance further underpins the going concern basis in preparing the annual report and financial statements.

Taking into account the above factors, the directors have prepared the financial statements on a going concern basis; see note 1 for further details.

Dividend

No dividend is recommended to be paid in respect of the 2023 period (2022: nil)

AGGREGATED MICRO POWER HOLDINGS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

Research and Development

During the year the Group spent £144,460 (2022: £61,538) on research and development activities.

Streamlined Energy & Carbon Reporting (SECR)

| | 2023 | 2022 | Commentary |
|--|----------------|----------------|--|
| Total Scope 1 (TCO₂e) | 170,725 | 63,870 | Scope 1 covers the direct emissions from our operations |
| Company owned vehicles | 1,901 | 1,311 | |
| Gas | 167,343 | 61,911 | |
| Biomass | 1,481.90 | 668 | |
| Total Scope 2 (TCO₂e) | 701 | 552 | Scope 2 covers the indirect emissions from our operations |
| Offices | 16 | 14 | |
| Depots | 47 | 81 | |
| Gas | 584 | 381 | |
| Biomass | 54 | 75 | |
| Location Based Scope 2 (TCO₂e) | 701 | 552 | Electricity and heat used across our office and depot locations in the UK. |
| Total Scope 1 & 2 (TCO₂e) | 171,426 | 64,441 | |
| Carbon intensity Scope 1 & 2 | 1,356 | 1,273 | Carbon intensity shows how many tonnes of GHG gas emissions are produced per £m of revenue realised |
| Operational energy consumption (MWh) | 920,052 | 215,102 | This is the total energy consumption of our operations spanning all activities included in Scope 1 & 2 |

AGGREGATED MICRO POWER HOLDINGS LIMITED
DIRECTORS REPORT
FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

The methodology used to calculate emissions is the Greenhouse Gas Corporate Standard Protocol. It is an established comprehensive global standardised framework which measures and manages greenhouse gas (GHG) emissions from private and public sector operations, value chains and mitigation actions.

The carbon emissions of the Group has increased significantly in the 2023, this has been driven by the increase in the number of commissioned gas peaking plants and the increased run hour of the gas peaking plants.

Energy efficiency actions taken:

During 2023 the Group has focus on improving the combustion efficiency of its wholly owned biomass boilers as this is the most effective way of reducing its carbon emissions. During 2024 the Group is implementing new telematic software to monitor the driving of its vehicles, the aim this is to reduce acceleration and braking by monitoring driver behaviour and reduce fuel consumption.

Events after the reporting period

Refer to Note 23 to the accounts for details of events after the reporting date.

Financial instruments

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

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

Note 21 to the accounts sets out details of the Group's financial risk management objectives and policies exposure to financial instruments.

Future developments

The group plans to continue to develop flexible generation plants and biomass energy centres. As the number of assets the group owns and operates increases the groups asset management, maintenance and fuel supply business' will focus on the efficient and effective management of these assets as well as growing their respective external sales. Details of future developments can be found in the Strategic Report on pages 7-9 and form part of this report by cross reference.

Directors and their disclosures

Details of the composition of the Board of Directors are set out on page 13.


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/she 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 confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This Directors' Report was approved by the Board of Directors of the company on the 20th December 2023 and signed on their behalf by:

Mark Tarry
Chief Executive Officer

DocuSigned by:

AF170279201B414.

AGGREGATED MICRO POWER HOLDINGS LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AGGREGATED MICRO POWER HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Aggregated Micro Power Holdings Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2023 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated statement of cash flows; and
- the related notes 1 to 35.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and United Kingdom adopted international accounting standards. 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 applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (the 'FRC's') Ethical Standard, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**AGGREGATED MICRO POWER HOLDINGS LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AGGREGATED MICRO POWER HOLDINGS LIMITED (CONTINUED)**

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

AGGREGATED MICRO POWER HOLDINGS LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AGGREGATED MICRO POWER HOLDINGS LIMITED (CONTINUED)

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- *do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.* These included Health & Safety and Environmental legislation.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud within recognition of revenue, and principally manual entries due to the potential and inherent risk that manual entries may erroneously inflate or deflate revenues. To address risk, we tested a sample of revenue transactions throughout the period, by tracing to invoice and bank statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we *tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.*

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with Companies House.

Report on other legal and regulatory requirements

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.

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

**AGGREGATED MICRO POWER HOLDINGS LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AGGREGATED MICRO POWER HOLDINGS LIMITED (CONTINUED)**

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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

D. Winstone

Daryl Winstone
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
20th of December 2023

AGGREGATED MICRO POWER HOLDINGS LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

| | Note | Year ended 31 March 2023 £ | Year ended 31 March 2022 £ |
|---|------|----------------------------------|----------------------------------|
| Continuing operations | | | |
| Revenue | 3 | 126,387,485 | 50,629,214 |
| Cost of sales | | (53,848,567) | (31,610,606) |
| Gross profit | | 72,538,918 | 19,018,608 |
| Other operating income | 4 | 341,858 | 318,300 |
| Administrative expenses | | (27,708,552) | (18,740,184) |
| Impairment of receivables | | (269,815) | (25,811) |
| Impairment loss | 10 | (1,517,602) | - |
| Total administration costs | | (29,495,969) | (18,765,995) |
| Exceptional Items* | 5 | (2,376,869) | (810,431) |
| Loss on financial asset at fair value through profit and loss | 20 | (1,619,473) | (1,472,248) |
| Profit/(Loss) from operations | 5 | 39,388,465 | (1,711,766) |
| Finance income | 7 | 276,270 | 272,275 |
| Finance expense | 8 | (12,700,053) | (10,052,738) |
| Profit/(Loss) before tax | | 26,964,683 | (11,492,229) |
| Tax (Charge) / credit | 9 | (5,076,763) | 2,439,469 |
| Profit and total comprehensive income/(expense) for the year | | 21,887,920 | (9,052,760) |
| Profit/(Loss) for the year attributable to: | | | |
| Owners of the business | | 21,887,920 | (9,052,760) |
| | | 21,887,920 | (9,052,760) |

*Exceptional item primarily related to refinancing expenses. See note 5 for further details.

The notes on pages 26 to 69 form an integral part of these financial statements.

AGGREGATED MICRO POWER HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

| | | 31 March 2023 | 31 March 2022 |
|---|------|---------------------|--------------------|
| | Note | £ | £ |
| Non-current assets | | | |
| Property, plant and equipment | 10 | 187,965,685 | 169,811,850 |
| Right-of-use asset | 24 | 18,535,214 | 16,915,923 |
| Investment in associate | 20 | 305,028 | 677,834 |
| Loan to Associate | 20 | 3,498,000 | 2,742,667 |
| Intangibles | 11 | 7,792,072 | 8,003,897 |
| Deferred Tax | 9 | - | 1,780,179 |
| Total non-current assets | | 218,095,999 | 199,932,350 |
| Current assets | | | |
| Inventories | 12 | 7,333,529 | 3,682,407 |
| Trade and other receivables | 13 | 23,094,931 | 15,980,351 |
| Cash and cash equivalents | 14 | 38,793,642 | 3,150,671 |
| Total current assets | | 69,222,102 | 22,813,429 |
| Total assets | | 287,318,101 | 222,745,779 |
| Current liabilities | | | |
| Trade and other payables | 15 | 15,430,229 | 11,834,879 |
| Loans and borrowings** | 16 | 7,823,949 | 872,354 |
| Total current liabilities | | 23,254,178 | 12,707,233 |
| Net Current Assets | | 45,967,923 | 10,106,196 |
| Non-current liabilities | | | |
| Loans and borrowings** | 16 | 150,158,571 | 133,105,839 |
| Preference Share Capital | 16 | 150,750,000 | - |
| Preference Dividend Payable | 16 | 1,561,192 | - |
| Deferred tax liability | 9 | 3,396,533 | - |
| Total non-current liabilities | | 305,866,296 | 133,105,839 |
| Total liabilities | | 329,120,474 | 145,813,072 |
| Net assets | | (41,802,373) | 76,932,707 |
| Equity | | | |
| Paid up share capital | 17 | 834,515 | 651,209 |
| Share premium | 17 | 9,255,412 | 77,194,003 |
| Merger reserve | 17 | 6,648,126 | 6,648,126 |
| Other reserve | 17 | 16,344,749 | 16,344,749 |
| Other Equity | 17 | (72,867,715) | - |
| Retained earnings/(deficit) | | (2,017,460) | (23,905,380) |
| Equity attributable to equity shareholders of the parent company | | (41,802,373) | 76,932,707 |
| Total equity | | (41,802,373) | 76,932,707 |

(**) includes lease liabilities.

The financial statements of Aggregated Micro Power Holdings Limited (registered number: 08372177) were approved by the Board of Directors and authorised for issue on 20th of December 2023.

Mark Tarry,
Chief Executive Officer

DocuSigned by:

Mark Tarry

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The notes on pages 26 to 69 form an integral part of these financial statements.

AGGREGATED MICRO POWER HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

| Year ended 31 March 2023 | Paid up Share capital | Share premium | Retained deficit | Merger reserve | Other Reserve | Other Equity | Total Equity |
|--------------------------------------|-----------------------------|------------------|---------------------|-------------------|-------------------|---------------------|---------------------|
| | £ | £ | £ | £ | £ | £ | £ |
| Equity as at 1 April 2022 | 651,209 | 77,194,003 | (23,905,380) | 6,648,126 | 16,344,749 | - | 76,932,707 |
| Profit for the year | - | - | 21,887,920 | - | - | - | 21,887,920 |
| Total | - | - | 21,887,920 | - | - | - | 21,887,920 |
| comprehensive income | | | | | | | |
| Issue of share capital | 183,306 | 9,943,694 | - | - | - | - | 10,127,000 |
| Issue of preference shares | - | (77,882,285) | - | - | - | (72,867,715) | (150,750,000) |
| Year ended 31 March 2023 | 834,515 | 9,255,412 | (2,017,460) | 6,648,126 | 16,344,749 | (72,867,715) | (41,802,373) |

The notes on pages 26 to 69 form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

| Year ended 31 March 2022 | Paid up Share capital | Share premium | Retained deficit | Merger reserve | Other Reserve | Total Equity |
|--------------------------------------|-----------------------------|-------------------|---------------------|-------------------|-------------------|--------------------|
| | £ | £ | £ | £ | £ | £ |
| Equity as at 1 April 2021 | 493,914 | 45,892,298 | (14,852,620) | 6,648,126 | 16,344,749 | 54,526,467 |
| Loss for the year | - | - | (9,052,760) | - | - | (9,052,760) |
| Total | - | - | (9,052,760) | - | - | (9,052,760) |
| comprehensive Loss | | | | | | |
| Issue of share capital | 157,295 | 31,301,705 | - | - | - | 31,459,000 |
| Year ended 31 March 2022 | 651,209 | 77,194,003 | (23,905,380) | 6,648,126 | 16,344,749 | 76,932,707 |

The notes on pages 26 to 69 form an integral part of these financial statements.

AGGREGATED MICRO POWER HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

| | | 31 March 2023 | 31 March 2022 |
|---|--------------|----------------------|----------------------|
| | Notes | £ | £ |
| Operating activities | | | |
| Profit/(Loss) for the period after tax | | 21,887,920 | (9,052,760) |
| Adjustments for: | | | |
| Tax | 9 | 5,076,763 | (2,439,469) |
| Finance Income | 7 | (276,270) | (272,275) |
| Fair value adjustment on financial assets and liabilities at fair value through profit and loss | 20 | 1,619,473 | 1,472,248 |
| Loss on disposal of property, plant & equipment | | 7,745 | 39,885 |
| Provision for bad debts | 5 | 269,815 | 17,860 |
| Impairment of fixed assets | 10 | 1,517,602 | - |
| Finance Cost | 8 | 12,520,144 | 10,052,738 |
| Movement in foreign exchange | | (14,632) | (18,181) |
| Amortisation of intangibles | 11 | 384,552 | 377,487 |
| Amortisation of Loan Note issue costs | 8 | 179,909 | 195,370 |
| Depreciation of ROU asset (IFRS 16) | 24 | 1,157,041 | 1,386,531 |
| Depreciation of property, plant and equipment | 10 | 8,076,782 | 5,332,251 |
| Cash flows from operating activities before changes to working capital | | 52,406,844 | 7,091,885 |
| Change in working capital, net of effects from acquisition of subsidiaries | | | |
| (Increase) in inventories | | (3,651,121) | (334,375) |
| (Increase)/Decrease in trade and other receivables | | (7,384,394) | 535,034 |
| Increase in trade and other payables | | 2,127,512 | 1,346,164 |
| Net income Tax and Tax Credits | | 12,813 | 83,821 |
| | | (8,895,190) | 1,630,221 |
| Cash from operations | | 43,511,654 | 8,722,106 |
| Investing activities | | | |
| Purchase of property, plant and equipment | | (29,021,190) | (47,286,976) |
| Proceeds from sale of assets (incl ROU assets) | | 1,834,101 | 1,009,828 |
| Loans made to associates | | (1,730,000) | - |
| Interest received | 7 | 4,270 | 275 |
| Net cash used in investing activities | | (28,912,819) | (46,276,873) |

AGGREGATED MICRO POWER HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

| Financing activities | 31 March 2023 | 31 March 2022 |
|--|----------------------|----------------------|
| | £ | £ |
| Proceeds from issue of ordinary shares | 10,127,000 | 31,459,000 |
| Proceeds from invoice discounting | 1,173,653 | (629,605) |
| Proceeds from stock loan | 2,299,921 | - |
| Proceeds from loan | 23,078,000 | 5,350,000 |
| Principal paid on lease liabilities | (1,856,306) | (1,775,319) |
| Interest paid on Lease liabilities | (29,659) | (47,798) |
| Payments of interest on borrowings | (9,889,481) | (9,172,876) |
| Payments of principal on borrowings | (3,858,992) | - |
| Loan note issue cost | - | (68,500) |
| Net cash generated from financing activities | 21,044,136 | 25,051,902 |
| Net increase / (decrease) in cash and cash equivalents | 35,642,971 | (12,502,865) |
| Cash and cash equivalents at beginning of period | 3,150,671 | 15,653,536 |
| Cash and cash equivalents at end of period | 38,793,642 | 3,150,671 |

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The notes on pages 26 to 69 form an integral part of these financial statement.

AGGREGATED MICRO POWER HOLDINGS LIMITED**1. Accounting policies****Basis of preparation**

The company is a private limited company. It is limited by share capital and is incorporated in England and Wales. Its registered number is 08372177. The registered office is 3rd Floor, 1 Dover Street, London, W1S 4LD. See principal activities in Strategic report section above.

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 2022.

These financial statements have been prepared under the historical cost convention (except for items measured at fair value at the end of each reporting period, as explained in accounting policies below) and in accordance with United Kingdom adopted international accounting standards and the requirements of the Companies Act 2006.

These financial statements have been rounded to the nearest £ and therefore some rounding differences may arise.

The preparation of financial statements in compliance with 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 functional and presentational currency of the Group.

Changes in accounting policies

The Group has adopted all new issued standards and amendments to existing standards during the period to 31 March 2023 but the impact of adoption has not had a material impact.

The following new accounting standards and amendments to existing standards have been issued but are not yet effective.

- Amendments to IAS 16 - Property, Plant and Equipment — Proceeds before Intended Use
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 Property, Plant and Equipment — Proceeds before intended use
- Amendments to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract

Effective dates will be subject to the UK endorsement process.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 March 2023.

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

1 Accounting policies (continued)**Basis of consolidation (continued)**

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. Inter-group 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. Acquisition-related costs are expenses as incurred.

The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Business combinations

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

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

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

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

AGGREGATED MICRO POWER HOLDINGS LIMITED**1 Accounting policies (continued)****Goodwill**

Goodwill 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.

Negative Goodwill

Negative Goodwill represents the excess of the fair value of the group's share of the net identifiable assets of an acquired subsidiary at the date of acquisition over the cost of acquisition. Goodwill is released through the Statement of Income over the period in which the group expects to benefit from the underlying assets.

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.

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 | 10 Years | Estimated discounted cash flows |

Intangible assets are tested for impairment where an indicator of impairment exists, and in the

1 Accounting policies (continued)

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 2023 the Group had £38.8m in cash and net current assets of £47.9m. The performance in the year to 31 March 2023 saw Group Adjusted EBITDA of £54.7m which exceeded budget by £36.5m (Budget £16.3m).

The Group has considered the impact of cost-price inflation and is comfortable that strategies employed to mitigate inflationary pressure are robust across all key inputs which ensures that profit margins are maintained over the short to medium term.

The Group debt requirements are predominantly met by listed Loan Notes which have a fixed rate of interest and a fixed amortisation schedule. The Group has calculated detailed future cashflow forecasts which demonstrate the repayment of interest and capital is affordable and therefore considers the impact of interest rises increases as low and mitigated.

The Directors have prepared a Group budget for the 31 March 2024 financial year which set the budgeted Group Adjusted EBITDA at £26.5m, a decrease of £26.6m to the 31 March 2023 financial year Adjusted EBITDA presented in the consolidated financial statements of the Group. The Directors recognise that the 31 March 2023 period was an exceptional year and this explains a decrease in budget for the next financial year.

Considering the above factors, the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and have therefore prepared the Consolidated and company financial statements on a going concern basis.

AGGREGATED MICRO POWER HOLDINGS LIMITED

1 Accounting policies (continued)

Revenue recognition

Wood Fuel Sales

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 per cubic metre (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.

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 have 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)**Operations and Maintenance (O&M) Sales***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. 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. This recognition is in accordance with IFRS 15.

Consultancy fees

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.

Project 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 Statement of financial position 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.

This recognition is in accordance with IFRS 15

Asset Management fees

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

AGGREGATED MICRO POWER HOLDINGS LIMITED**1 Accounting policies (continued)****RHI Income**

Revenue from Renewable Heat Incentive (RHI) government subsidy is measured using meter readings and recognised in the period that the qualifying generated heat is provided to the customer and the Company becomes entitled to the subsidy.

This recognition is in accordance with IFRS 15

Electricity Income

The Group owns and operates a portfolio of natural gas peaking plants which are discharged during periods of high demand for electricity in order to balance the national electricity grid's supply requirements. Revenue relating to the sale of electricity produced by baseload power is recognised at the time electricity is exported from the peaking plant to the national grid and is under the control of off-takers. Revenue is recognised at this point provided that the revenue and costs can be reliably measured, the recovery of the consideration is probable, and there is no continuing management involvement with the supply.

This recognition is in accordance with IFRS 15

Spark Fix Income

The Group generates revenue from electricity spark fixes. Revenue is recognised as each half hourly period is incurred. Revenue is recognised at this point provided that the revenue and costs can be reliably measured, the recovery of the consideration is probable, and there is no continuing management involvement with the supply.

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 |

1 Accounting policies (continued)**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.

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.

AGGREGATED MICRO POWER HOLDINGS LIMITED**1 Accounting policies (continued)****Financial assets at Fair Value through Profit and Loss**

Financial assets designated as at Fair Value through Profit and Loss ("FVPL") upon initial recognition, includes investment in associates. 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:

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.

1 Accounting policies (continued)**Other financial liabilities**

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

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

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

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

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.

The Group's preference share capital has been classified as a financial liability as the terms of the instrument mean that they are redeemable by the holder of the preference shares in the event of an exit.

Leased Assets**Identifying Leases**

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- a) There is an identified asset;
- b) The Group obtains substantially all the economic benefits from use of the asset; and
- c) The Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

AGGREGATED MICRO POWER HOLDINGS LIMITED**1 Accounting policies (continued)****Identifying Leases (continued)**

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

1 Accounting policies (continued)**Deferred taxation**

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

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

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

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

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

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 facility as at 31 March 2023 of £3.5m (2022 £2.8m), the utilisation of which at 31 March 2023 is £2.0m (2022: £0.8m)

The facility has been recognised as trade and other payables per note 15. 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 Statement of cash flows.

AGGREGATED MICRO POWER HOLDINGS LIMITED**1 Accounting policies (continued)****Cash and cash equivalents**

Cash and cash equivalents include 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.

2 Critical accounting judgements and key sources of estimation uncertainty

The Group and the Company 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.

Key sources of estimation uncertainty**(a) 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 intangible assets is calculated using a discounted cash flow ('DCF') model where an appropriate, or market based, discount rate is applied to future cash flows expected to be generated by the assets. Under IAS 36 an asset is impaired if its carrying value is greater than its recoverable amount or fair value. For details of the estimates and judgements see note 11.

(b) Fair value of Associate

The Group holds a single investment in an Associate in a company called Ambion Heating which is the trading name of Logicor (CH) Limited. The Group has adopted the Market approach for valuation of the investment via comparison with the transaction price paid for an identical equity instrument to that held by the Group i.e., an ordinary share. Ambion Heating continued to issue new equity capital to new investors during the period which carries the same rights and conditions as the equity capital held by the Group. The Group has therefore concluded that the latest transaction price of newly issued equity capital at the measurement date is the amount that is most representative of the fair value of the non-controlling equity interest in Ambion Heating. See note 20.

Critical judgements in applying the Group's accounting policies

In February 2023, the Group converted 150.75m ordinary shares into preference shares at a value of £1 each. These shares accrue a 9% dividends each year on the value of 150.75m. The terms of these shares mean that the shares are redeemable by the holder on an exit and not at the discretion of the Board. These shares have consequently been accounted for as a financial liability under IFRS9 Financial Instruments.

AGGREGATED MICRO POWER HOLDINGS LIMITED**3 Revenue**

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| | £ | £ |
| Wood fuel and heat sales | 45,788,233 | 28,604,720 |
| Operations and Maintenance (O&M) Sales | 2,606,034 | 2,315,666 |
| Project Development, Asset Management and Consultancy fees | 495,357 | 465,384 |
| RHI income | 6,571,233 | 4,496,724 |
| Electricity Income | 41,216,195 | 14,746,720 |
| Spark Fix Income | 29,710,433 | - |
| | 126,387,485 | 50,629,214 |

Year to 31 March 2023

| | Spark fix income £ | Wood fibre and heat sales £ | Maintenance sales £ | Fee, RHI & electricity income £ | Total |
|--------------|-----------------------------------|--|------------------------------------|--|--------------------|
| Product type | | | | | |
| Goods | 29,710,433 | 45,788,233 | - | 41,216,195 | 116,714,861 |
| Services | - | - | 2,606,034 | 7,066,590 | 9,672,624 |
| | 29,710,433 | 45,788,233 | 2,606,034 | 48,282,785 | 126,387,485 |

**Timing of transfer of goods and
services**

| | | | | | |
|---------------|-------------------|-------------------|------------------|-------------------|--------------------|
| Point in time | 29,710,433 | 45,788,233 | 2,606,034 | 41,711,552 | 119,816,252 |
| Over time | - | - | - | 6,571,233 | 6,571,233 |
| | 29,710,433 | 45,788,233 | 2,606,034 | 48,282,785 | 126,387,485 |

Year to 31 March 2022

| | Wood fibre and heat sales £ | Spark fix income £ | Maintenance sales £ | Fee, RHI & electricity income | Total |
|--------------|--|-----------------------------------|------------------------------------|--|-------------------|
| Product type | | | | | |
| Goods | 28,604,720 | - | - | 14,746,720 | 43,351,440 |
| Services | - | - | 2,315,666 | 4,962,108 | 7,277,774 |
| | 28,604,720 | - | 2,315,666 | 19,708,828 | 50,629,214 |

**Timing of
transfer of
goods and
services**

| | | | | | |
|---------------|-------------------|----------|------------------|-------------------|-------------------|
| Point in time | 28,604,720 | - | 2,315,666 | 15,212,104 | 46,132,490 |
| Over time | - | - | - | 4,496,724 | 4,496,724 |
| | 28,604,720 | - | 2,315,666 | 19,708,828 | 50,629,214 |

All revenue generated is in the United Kingdom.

AGGREGATED MICRO POWER HOLDINGS LIMITED**4 Other income****Other operating income**

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--------------|-------------------------------------|-------------------------------------|
| | £ | £ |
| Other income | 341,858 | 318,300 |
| | 341,858 | 318,300 |

5 Profit/(Loss) from operations

Profit/(Loss) for the year has been arrived at after charging/(crediting):

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|-------------------------------------|-------------------------------------|
| | £ | £ |
| Depreciation – owned assets | 8,076,782 | 5,590,315 |
| Depreciation – right of use assets | 1,157,041 | 328,044 |
| Amortisation of intangibles | 384,550 | 377,487 |
| Amortisation of note issue costs | 179,909 | 195,369 |
| Other Accounting Costs | 295,496 | 127,275 |
| Auditors' remuneration: | | |
| -audit related services for the audit of this company | 72,241 | 51,795 |
| -audit related services for the audit of the subsidiaries | 392,724 | 197,087 |
| Foreign Exchange Gain | (14,631) | (18,181) |
| Staff costs | 12,215,252 | 10,986,829 |
| Loss on sale of assets | 7,745 | 39,663 |
| Consultancy Fees | 129,641 | 26,800 |
| Provision for bad debts | (7,233) | 17,860 |
| Bad Debts Written off | 277,047 | 7,951 |
| Impairment of Plant, Property and Equipment | 1,517,602 | - |
| Re-financing related costs | 2,376,869 | 810,431 |
| Loss on asset at fair value through profit or loss | 1,619,473 | 1,472,248 |

Re-financing related costs

During the year the Group paid £2.4m of costs related to the re-financing of listed loan notes. In September 2023 the directors decided to put the re-finance on hold because of the increase in interest rates. The costs the re-financing which did not happen are disclosed as the exceptional item in the statement of comprehensive income.

Non-Audit Services

There were no non-audit services payable to Deloitte LLP, the Group auditor.

AGGREGATED MICRO POWER HOLDINGS LIMITED**6 Staff cost (including directors) comprise:**

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|-------------------------------------|-------------------------------------|
| | £ | £ |
| Wages and salaries | 9,702,406 | 9,402,958 |
| Social security contributions and similar taxes | 1,407,095 | 815,362 |
| Defined contribution pension costs | 325,947 | 287,203 |
| Other personnel related costs | 779,804 | 481,306 |
| | 12,215,252 | 10,986,829 |

The average number of persons employed by the group was:

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|-------------------|-------------------------------------|-------------------------------------|
| Asset Development | 17 | 14 |
| Asset Management | 8 | 8 |
| Energy Services | 127 | 122 |
| Shared Services | 27 | 26 |
| | 179 | 170 |

Directors' salaries

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|-------------------------------------|-------------------------------------|
| | £ | £ |
| Short term employee benefits | 1,004,445 | 624,657 |
| Total pension and other post-employment benefit costs | 37,708 | 37,471 |
| | 1,042,153 | 662,128 |

Two directors who receive a salary, have their pension paid into their SIPPs, not the company pension plan.

Highest paid Director

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|-------------------------------------|-------------------------------------|
| | £ | £ |
| Short term employee benefits | 541,800 | 367,523 |
| Total pension and other post-employment benefit costs | 14,645 | 21,968 |
| | 556,445 | 389,491 |

AGGREGATED MICRO POWER HOLDINGS LIMITED

| 7 Finance Income | Note | Year ended | Year ended |
|--------------------------------|-------------|----------------------|----------------------|
| | | 31 March 2023 | 31 March 2022 |
| | | £ | £ |
| Interest on Bank Deposits | | 4,270 | 275 |
| Interest on Loans to associate | 20 | 272,000 | 272,000 |
| | | 276,270 | 272,275 |

| 8 Finance expense | Year ended | Year ended |
|------------------------------|----------------------|----------------------|
| | 31 March 2023 | 31 March 2022 |
| | £ | £ |
| Interest Expense | 10,069,577 | 9,177,915 |
| Finance Lease Interest | 1,038,658 | 853,773 |
| Preference Share Dividend | 1,561,192 | - |
| Invoice Discounting Interest | 30,626 | 21,050 |
| | 12,700,053 | 10,052,738 |

| 9 Taxation | Year ended | Year ended |
|--|----------------------|----------------------|
| | 31 March 2023 | 31 March 2022 |
| | £ | £ |
| Current tax charge / (credit) | 261,787 | (8,000) |
| Prior year adjustment | 3,591 | - |
| Deferred tax charge / (credit) | 4,811,385 | (2,431,469) |
| Total tax charge / (credit) | 5,076,763 | (2,439,469) |
| Profit/ (Loss) before income taxes | 26,964,683 | (11,492,229) |
| Expected tax charge based on the standard rate of United Kingdom corporation tax at the domestic rate of 19% (2022: 19%) | 5,123,290 | (2,183,524) |
| Expenses not deductible for tax purposes | 541,947 | 553,072 |
| Qualifying Donations | - | 443 |
| Capital allowances in excess of depreciation | (623,769) | 7,778 |
| Chargeable gains | 2,272 | - |
| Unprovided losses carried forward | - | 174,250 |
| Brought Forward Utilised Losses | 1,976,125 | (210,279) |
| Land remediation relief | (17,345) | - |
| R & D tax credit received | (36,970) | (8,000) |
| Other differences | (93,211) | - |
| Deferred Tax | (1,795,576) | (773,209) |
| Total (Charge) / Credit | 5,076,763 | (2,439,469) |

9 Taxation (continued)**Deferred tax**

| | Year ended 31 March 2023 £ | Year ended 31 March 2022 £ |
|---|---|---|
| Accelerated depreciation for tax purposes | 17,330,426 | 2,551,349 |
| Losses / pre trading expenses | (22,151,860) | - |
| Other short time timing differences | (3,075,047) | - |
| Amortisation intangible assets | 46,209 | 46,209 |
| Fair Value on associates | - | (817,379) |
| Asset not provided for | 11,246,805 | - |
| Net deferred tax (liability) / asset | (3,396,533) | 1,780,179 |

Reconciliation of deferred tax liabilities

| | Year ended 31 Mar 2023 | Year ended 31 Mar 2022 |
|---|-----------------------------------|-----------------------------------|
| Opening | 1,780,179 | (651,290) |
| Deferred taxes acquired | (365,326) | (114,000) |
| Amortisation intangible assets | 46,209 | 46,209 |
| Accelerated depreciation for tax purposes | (4,857,594) | 2,499,260 |
| Closing | (3,396,533) | 1,780,179 |

The tax losses to carry forward which are unprovided at the end of the year amounted £88,524,316 – of which £44,987,220 are unprovided (2022: £62,008,348), the unrecognised deferred tax on these balances at 25% are £11,246,805 (2022: £15,502,087). Deferred tax assets for these losses have not been recognised, due to uncertainty over profitability.

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 main rate of UK corporation tax was 19% for the year to 31 March 2023 (2022: 19%). The Finance Act 2022, which received Royal Assent on 10 June 2022, increases the rate of corporation tax from 19% to 25% with effect from 1 April 2023.

AGGREGATED MICRO POWER HOLDINGS LIMITED**10 Plant, Property and Equipment**

| | Assets Under Construction | Land and Buildings | Plant & Machinery | Office Equipment | Motor Vehicles | Total |
|----------------------------|--------------------------------------|-------------------------------|----------------------------------|-----------------------------|---------------------------|--------------------|
| | £ | £ | £ | £ | £ | £ |
| Cost | | | | | | |
| As at 31 March 2022 | 40,746,411 | 398,860 | 133,736,256 | 1,944,698 | 2,925,758 | 179,751,983 |
| Reclassification | (40,746,411) | - | 40,746,411 | - | - | - |
| Additions for the period | 12,266,081 | 49,704 | 16,694,569 | 104,326 | 475,387 | 29,590,067 |
| Impairment | - | - | (1,517,602) | - | - | (1,517,603) |
| Disposals for the period | - | - | (1,900,945) | - | (284,855) | (2,185,800) |
| As at 31 March 2023 | 12,266,081 | 448,565 | 187,758,688 | 2,049,024 | 3,116,289 | 205,638,646 |
| Depreciation | | | | | | |
| As at 31 March 2022 | - | 58,748 | 6,407,582 | 1,774,207 | 1,699,595 | 9,940,132 |
| Charge for the period | - | 33,180 | 7,381,183 | 86,364 | 576,056 | 8,076,782 |
| Disposals for the period | - | - | (129,849) | - | (214,105) | (343,954) |
| As at 31 March 2023 | - | 91,928 | 13,658,916 | 1,860,571 | 2,061,547 | 17,672,961 |
| Net book value | | | | | | |
| As at 31 March 2022 | 40,746,411 | 340,113 | 127,328,674 | 170,491 | 1,226,162 | 169,811,850 |
| As at 31 March 2023 | 12,266,081 | 356,637 | 174,099,773 | 188,453 | 1,054,742 | 187,965,685 |

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

Reclassification is to ensure the nature of the asset is correctly classified. The changes have no impact on the overall net book value.

Fixed assets with a net book value of £181,875 have not been reclassified to Right-of-use asset on transition as these were fully paid off in the year.

As of 16 November 2022, Ashford Power Limited and its intermediate parent, Cornerstone Cogeneration Limited (registered number 09913548), were acquired by AMP Projects FinCo Limited (registered number 14416801 and registered address 3rd Floor, 1 Dover Street, London, W1S 4LD). Following the acquisition, the ultimate controlling party has changed to Asterion Industrial Infra Fund I, FCR (authorised by the Spanish Securities Market Commission under number 240, with registered address at Serrano 16, 2 floor, Madrid Spain 28001).

AGGREGATED MICRO POWER HOLDINGS LIMITED**10 Plant, Property and Equipment (continued)**

| | Assets Under Construction £ | Land and Buildings £ | Plant & Machinery £ | Office Equipment £ | Motor Vehicles £ | Total £ |
|----------------------------|--|-------------------------------------|--|-----------------------------------|---------------------------------|--------------------|
| Cost | | | | | | |
| As at 31 March 2021 | 67,777,609 | 921,358 | 59,238,758 | 1,891,695 | 1,289,065 | 133,118,485 |
| Reclassification | (74,331,169) | - | 74,300,950 | - | 30,219 | - |
| Additions for the period | 45,299,971 | 7,934 | 882,690 | 53,003 | 1,843,414 | 48,087,012 |
| Disposals for the period | - | (530,432) | (686,142) | - | (236,941) | (1,453,515) |
| As at 31 March 2022 | 40,746,411 | 398,860 | 133,736,256 | 1,944,698 | 2,952,757 | 179,751,982 |
| Depreciation | - | 35,970 | 2,739,061 | 1,623,544 | 534,650 | 4,933,225 |
| As at 31 March 2021 | - | - | (7,644) | - | 7,644 | -- |
| Charge for the period | - | 22,778 | 3,813,214 | 150,663 | 1,345,596 | 5,332,251 |
| Disposals for the period | - | - | (137,049) | - | (188,295) | (325,344) |
| As at 31 March 2022 | - | 58,748 | 6,407,582 | 1,774,207 | 1,699,595 | 9,940,132 |
| Net book value | | | | | | |
| As at 31 March 2021 | 69,777,609 | 885,388 | 56,499,697 | 268,151 | 754,415 | 128,185,260 |
| As at 31 March 2022 | 40,746,411 | 340,113 | 127,328,674 | 170,491 | 1,226,162 | 169,811,850 |

AGGREGATED MICRO POWER HOLDINGS LIMITED**11 Intangibles**

| | Long term contracts and customer relationships £ | Brand £ | Goodwill £ | Total £ |
|------------------------------------|--|----------------|------------------|-------------------|
| Cost | | | | |
| As at 31 March 2022 | 3,993,815 | 972,833 | 5,827,520 | 10,794,168 |
| Additions | 172,725 | - | - | 172,725 |
| As at 31 March 2023 | 4,166,540 | 972,833 | 5,827,520 | 10,966,893 |
| Amortisation | | | | |
| As at 31 March 2022 | 2,431,792 | 282,347 | 76,132 | 2,790,271 |
| Amortisation charge for the period | 335,911 | 51,132 | (2,493) | 384,551 |
| As at 31 March 2023 | 2,767,703 | 333,479 | 73,639 | 3,174,821 |
| Net book value | | | | |
| As at 31 March 2022 | 1,562,023 | 690,486 | 5,751,388 | 8,003,897 |
| As at 31 March 2023 | 1,398,837 | 639,354 | 5,753,881 | 7,792,072 |

| | Long term contracts and customer relationships £ | Brand £ | Goodwill £ | Total £ |
|------------------------------------|--|----------------|------------------|-------------------|
| Cost | | | | |
| As at 31 March 2021 | 3,993,815 | 972,833 | 5,827,520 | 10,794,168 |
| Additions | - | - | - | - |
| As at 31 March 2022 | 3,993,815 | 972,833 | 5,827,520 | 10,794,168 |
| Amortisation | | | | |
| As at 31 March 2021 | 2,097,966 | 233,705 | 81,113 | 2,412,784 |
| Amortisation charge for the period | 333,826 | 48,642 | (4,981) | 377,487 |
| As at 31 March 2022 | 2,431,792 | 282,347 | 76,132 | 2,790,271 |
| Net Book Value | | | | |
| As at 31 March 2021 | 1,895,849 | 739,128 | 5,746,407 | 8,381,384 |
| As at 31 March 2022 | 1,562,023 | 690,486 | 5,751,388 | 8,003,897 |

The Goodwill of the group is allocated to one cash generating unit, the Energy Services division.
The remaining weighted average useful life of intangible assets is 6.39 years (2022: 7.39 years).

11 Intangibles (continued)**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 over a weighted average useful life of 12.26 years. 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. Short term growth rates are set at 2% (2022: 2%). A pre-tax discount rate of 8% (2022:8%) has been applied to pre-tax cash flows. Long term growth rates are set at 1% (2022: 1%) and are used in calculating a terminal value for the CGU associated with the Goodwill value. Sensitivity analysis concludes that with a 1% increase in the discount rate alongside a 1% reduction in the short-term growth rate would reduce the value in use by c£5.18m and would still not lead to any additional impairment.

12 Inventories

| | Year ended 31 March 2023 £ | Year ended 31 March 2022 £ |
|----------------------------------|---|---|
| Raw materials and consumables | 4,815,451 | 1,701,346 |
| Grid balancing work in progress | 1,649,507 | 1,316,919 |
| Biomass boilers work in progress | 868,571 | 664,142 |
| | 7,333,529 | 3,682,407 |

There is an obsolescence provision of £143,200 (2022: £123,164) relating to slow-moving Engineering Spares balances sat within the Raw Materials figure.

AGGREGATED MICRO POWER HOLDINGS LIMITED**13 Trade and other receivables**

| | Year ended 31 March 2023 £ | Year ended 31 March 2022 £ |
|-------------------|----------------------------------|----------------------------------|
| Trade receivables | 9,110,280 | 8,522,186 |
| Other receivables | 1,217,674 | 1,069,554 |
| VAT receivables | 1,483,571 | 1,093,105 |
| Prepayments | 1,326,258 | 659,477 |
| Accrued income | 9,957,148 | 4,636,029 |
| | 23,094,931 | 15,980,351 |

There is provision for doubtful debt of £973,211 (2022: £292,718) sat within the Trade receivables balance.

14 Cash and cash equivalents

| | Year ended 31 March 2023 £ | Year ended 31 March 2022 £ |
|-----------------------|----------------------------------|----------------------------------|
| Cash at bank and hand | 38,793,642 | 3,150,671 |
| | 38,793,642 | 3,150,671 |

The cash held in Aggregated Micro Power Infrastructure 2 PLC and its directly held subsidiaries is restricted and is only able to be distributed if the debt service cover ratio is over 1.25x.

The cash held in AMP Project Finco Ltd and its directly held subsidiaries is restricted and is only able to be distributed if the debt service cover ratio is over 1.15x.

The cash held in AMP Project Finco 2 Ltd and its directly held subsidiaries is restricted and is only able to be distributed with permission from the agent.

15 Trade and other payables

| | Year ended 31 March 2023 £ | Year ended 31 March 2022 £ |
|------------------------------------|----------------------------------|----------------------------------|
| Trade payables | 4,034,294 | 4,312,009 |
| Accruals | 8,288,689 | 6,083,308 |
| Other payables | 834,272 | 298,206 |
| Deferred Revenue | 27,172 | 79,665 |
| Invoice discounting | 1,985,474 | 781,194 |
| VAT payables | - | 169,974 |
| Employment tax and social security | 260,327 | 110,523 |
| | 15,430,228 | 11,834,879 |

The Company holds an invoice discounting facility with its bankers with a limit of £3.5m (£2.75m in 2022) The facility is repayable within 12 months of annual renewal of the facility. The facility accrues interest at a rate of 2.75%.

16 Loans and Borrowings**Current Liabilities**

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|-------------------|-------------------------------------|-------------------------------------|
| | £ | £ |
| Lease liability | 1,714,476 | 830,973 |
| Bank debt | 658,461 | - |
| Energy Trust Loan | 50,140 | 41,381 |
| Loan notes | 3,100,950 | - |
| Stock loan | 2,299,922 | - |
| | 7,823,949 | 872,354 |

Non-current Liabilities

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|-----------------------------|-------------------------------------|-------------------------------------|
| | £ | £ |
| Lease liability | 18,786,509 | 17,359,710 |
| Loan notes | 111,377,801 | 117,350,000 |
| Loan notes issue costs | (1,590,075) | (1,653,328) |
| Bank debt | 21,584,336 | - |
| Energy Trust Loan | - | 49,457 |
| Preference Share Capital | 150,750,000 | - |
| Preference Dividend Payable | 1,561,192 | - |
| | 302,469,763 | 133,105,839 |

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

The Long-term external loan consists predominantly of Loan Notes listed on the Cayman Island Stock Exchange. The agreed programme amount has been increased and now totals £250,000,000. As at 31 March 2023, AMPIL had issued loan notes worth £155m (2022: £155m). The loan notes carry an interest rate of 8% annually and are secured against the assets of AMPIL. The loan notes amortise at 2.5% p.a. starting on 31 December 2022 and the balance of principal is due for repayment on 17 October 2036. Bid/Ask price for the Loan Notes was 95/96 (2022: 99/102). The fair value of the bonds is £115.7m which includes a revaluation of £2.5m on the £100m of bonds acquired as part of the AMPIL Group acquisition in July 2020.

The third party loan of £2,299,922 (2022: nil) was a stock loan with NatWest Bank. The interest rate on this loan was 2.5% p.a. over Base Rate. This was secured with a Debenture with the Company and a Guarantee from Aggregated Micropower Holdings Limited. This was repaid on 3rd April 2023 and 28th April 2023.

The interest on Bank debt is the percentage rate which is the aggregate of the applicable margin (4.5%) and compounded Reference Rate (SONIA); the interest is charged bi-annually. The final maturity date is 31 March 2029.

In February 2023, the Group converted 150.75m ordinary shares into preference shares at a value of £1 each. These shares accrue a 9% dividends each year on the value of 150.75m.

AGGREGATED MICRO POWER HOLDINGS LIMITED**17 Share Capital and reserves**

| 31 March 2023 | No of shares Nos. | Share capital £ | Share premium £ | Merger reserve £ | Other reserves £ | Other equity £ |
|---|----------------------------------|--------------------------------|--------------------------------|---------------------------------|---------------------------------|-------------------------------|
| Issued and fully paid ordinary & preference shares of £0.005 each | 130,241,75 | | | | | |
| As at 31st March 2022 | 1 | 651,209 | 77,194,003 | 6,648,126 | 16,344,749 | - |
| Shares Capital issued during the period | 36,661,250 | 183,306 | 9,943,694 | - | - | - |
| Converted to preference shares | - | - | (77,882,285) | - | - | (72,867,715) |
| As at 31 March 2023 | 1 | 834,515 | 9,255,412 | 6,648,126 | 16,344,749 | (72,867,715) |

| 31 March 2022 | No of shares Nos. | Share capital £ | Share premium £ | Merger reserve £ | Other reserves £ |
|---|----------------------------------|--------------------------------|--------------------------------|---------------------------------|---------------------------------|
| Issued and fully paid ordinary shares of £0.005 each | | | | | |
| As at 31st March 2021 | 98,782,751 | 493,914 | 45,892,298 | 6,648,126 | 16,344,749 |
| Issued for cash during the period | 31,459,000 | 157,295 | 31,301,705 | - | - |
| As at 31 March 2022 | 1 | 651,209 | 77,194,003 | 6,648,126 | 16,344,749 |

| | Ordinary "A" | Ordinary "B" | Preference shares |
|-----------------------------------|---------------------|---------------------|--------------------------|
| Opening | 130,241,751 | - | - |
| Issued during the year | 34,758,249 | 1,903,001 | - |
| Converted to preference shares | (150,750,000) | - | 150,750,000 |
| Closing | 14,250,000 | 1,903,001 | 150,750,000 |

On 22nd April 2022 4,000,000 new ordinary shares were issued for cash.

On 27nd June 2022 2,224,000 new ordinary shares were issued for cash.

On 13th July 2022 2,000,000 new ordinary shares were issued for cash.

On 17th February 2023:

- a bonus issues of 26,534,250 shares was made to take the number of ordinary shares to 165,000,000.
- the ordinary shares were converted into two classes being 14,250,000 A ordinary shares and 150,750,000 preference shares.
- a further class of shares were created, and 1,903,000 Ordinary B shares were issued.

AGGREGATED MICRO POWER HOLDINGS LIMITED**17 Share Capital and reserves (continued)**

The Company has ordinary shares which carry no right to fixed income. Share capital represents consideration received or amounts based on fair value. Except as otherwise provided in the Articles of Association of Aggregated Micro Power Holdings Limited, the A ordinary shares and the B ordinary shares shall rank pari passu but they constitute separate classes of shares. Each A ordinary share entitles the holder to vote at general meetings of the Company. There are no voting rights attached to the B ordinary shares.

The Company has preference shares with rights to fixed income.

Share capital: Nominal value of shares issued.

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

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.

Other equity: Created on the conversion of the 90% of the ordinary shares into preference shares.

18 Notes supporting statement of cash flow

| | Year ended 31 March 2023 £ | Year ended 31 March 2022 £ |
|----------------------------------|----------------------------------|----------------------------------|
| Cash at bank available on demand | 38,793,642 | 3,150,671 |
| | 38,793,642 | 3,150,671 |

Movement in financing liabilities 2023

| | Opening balance £ | Cash flow £ | Non-cash flow | | Closing £ |
|------------------------------------|----------------------|-------------------|--------------------------|--|--------------------|
| | | | Interest Accrued £ | New finance leases/ revaluation £ | |
| Invoice discounting* | 781,195 | 1,234,906 | (30,626) | - | 1,985,474 |
| Stock Loan | - | 2,299,922 | - | - | 2,299,922 |
| Lease Liability | 18,190,684 | (1,885,965) | 1,808,274 | 3,143,903 | 21,256,896 |
| Preference Share Capital | - | - | - | 150,750,000 | 150,750,000 |
| Preference Dividend Payable | - | - | - | 1,561,192 | 1,561,192 |
| Loan Notes & external bank debt | 115,787,510 | 9,443,577 | 9,131,362 | 63,254 | 134,425,703 |
| Total | 134,759,388 | 11,092,439 | 10,909,010 | 155,518,349 | 312,279,187 |

AGGREGATED MICRO POWER HOLDINGS LIMITED**Movement in financing liabilities 2022**

| | Opening balance | Cash flow | Non-cash flow | | Closing |
|------------------------------------|--------------------|-------------|---------------------|---------------------------------------|--------------------|
| | | | Interest Accrued | New finance leases/ revaluation | |
| | £ | £ | £ | £ | £ |
| Invoice discounting* | 1,452,750 | (692,605) | 21,050 | - | 781,195 |
| Lease Liability | 16,857,104 | (1,823,117) | 853,773 | 2,302,924 | 18,190,684 |
| Short term loan | - | - | - | 90,838 | 90,838 |
| Loan Notes & external bank debt | 110,217,758 | (9,172,877) | 9,174,921 | 5,476,870 | 115,696,672 |

*Invoice discounting of £2.0m (2022: £0.8m) has been included in Trade and other payables in Note 15.

AGGREGATED MICRO POWER HOLDINGS LIMITED**19 Subsidiaries**

In the year to 31 March 2023, the Company held a controlling interest in the following principal subsidiaries:

| | Principal activity | Country of incorporation | Percentage of ordinary shares held | |
|---|---|--------------------------|------------------------------------|------|
| | | | 2023 | 2022 |
| Aggregated Micro Power Limited | Holding company | England and Wales | 100% | 100% |
| Highland Wood Energy Limited * | Non-trading | England and Wales | 100% | 100% |
| AMP Energy Services Limited | Development of renewable energy projects and services | England and Wales | 100% | 100% |
| PEL (Fuels) Limited | Non-trading | England and Wales | 100% | 100% |
| AMP Clean Energy Services Holding Limited | Holding company | England and Wales | 100% | 100% |
| AMP Biomass Fuels Ltd* | Wood fuels | England and Wales | 100% | 100% |
| Forest Fuels Boiler Company Limited * | Wood fuels | England and Wales | 100% | 100% |
| Stock Warehouse Company Limited* | Dormant | England and Wales | 100% | 100% |
| Billington Bioenergy Limited | Wood fuels | England and Wales | 100% | 100% |
| AMP Project Holdings Limited | Holding company | England and Wales | 100% | 100% |
| Moffat Grid Stability Ltd* | Non-trading | England and Wales | 100% | 100% |
| Eccles Grid Stability Ltd* | Non-trading | England and Wales | 100% | 100% |
| AMP Solar Ltd* | Non-trading | England and Wales | 100% | 100% |
| Urban Reserve Storage Ltd* | Non-trading | England and Wales | 100% | 100% |
| AMP Biomass Net Zero 1 Limited* | Non-trading | England and Wales | 100% | 100% |
| AMP Biomass Net Zero 2 Limited* | Non-trading | England and Wales | 100% | 100% |
| Urban Reserve (EngineCo) Ltd* | Non-trading | England and Wales | 100% | 100% |
| Dallol Bunnahabhain Limited* | Non-trading | England and Wales | 100% | 100% |
| AMP Clean Energy Limited | Holding company | England and Wales | 100% | 100% |
| AMP Clean Energy Services Limited* | Holding company | England and Wales | 100% | 100% |
| Battery Box Limited | Non-trading | England and Wales | 100% | 0% |
| AMP Hydrogen 1 Limited | Non-trading | England and Wales | 100% | 0% |
| AMP Hydrogen 2 Limited | Non-trading | England and Wales | 100% | 0% |
| AMP Development Holdings Limited | Holding company | England and Wales | 100% | 0% |
| AMP Projects FinCo Limited | Holding company | England and Wales | 100% | 0% |
| Cornerstone Cogeneration Limited | Holding company | England and Wales | 100% | 0% |
| Urban Reserve (AssetCo 2) Limited | Electricity production | England and Wales | 100% | 0% |
| Ashford Power Limited | Electricity production | England and Wales | 100% | 0% |
| AMP Projects FinCo 2 Limited | Holding company | England and Wales | 100% | 0% |
| AMP Biomass (AssetCo 1) Limited | Plumbing, heating and air condition installation | England and Wales | 100% | 0% |
| AMP Biomass Holdings Limited | Holding company | England and Wales | 100% | 0% |
| AMP Biomass FincCo Limited | Holding company | England and Wales | 100% | 0% |
| Urban Reserve Holdings Limited | Holding company | England and Wales | 100% | 0% |
| Urban Reserve FinCo Limited | Holding company | England and Wales | 100% | 0% |

AGGREGATED MICRO POWER HOLDINGS LIMITED**19 Subsidiaries (continued)**

| | | | | |
|--|--|-------------------|------|------|
| Aggregated Micro Power Infrastructure 2 PLC | Holding company | England and Wales | 100% | 100% |
| Urban Reserve (Asset Co) Limited* | Electricity production | England and Wales | 100% | 100% |
| AMPIL 2 Asset Limited* | Plumbing, heating and air condition installation | England and Wales | 100% | 100% |
| GVO Biomass Limited* | Electricity production | England and Wales | 100% | 100% |
| Aggregated Micro Power Infrastructure Limited* | Dormant holding company | England and Wales | 100% | 100% |
| AMP Heat Limited* | Plumbing, heating and air condition installation | England and Wales | 100% | 100% |
| AMPIL TreasuryCo Limited* | Dormant | England and Wales | 100% | 100% |
| Free Ideal Biomass (Stage 1) Limited* | Dormant | England and Wales | 100% | 100% |

*Held indirectly

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

20 Associates

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

| Investment in Associate | Year ended 31 March 2023 £ | Year ended 31 March 2022 £ |
|------------------------------------|---|---|
| Opening | 677,834 | 1,016,749 |
| Fair value through profit and loss | (372,806) | (338,915) |
| Closing | 305,028 | 677,834 |

| Loan to Associate | Year ended 31 March 2023 £ | Year ended 31 March 2022 £ |
|------------------------------------|---|---|
| Opening | 2,742,667 | 3,604,000 |
| Interest received | 272,000 | 272,000 |
| Loans granted | 1,730,000 | - |
| Fair value through profit and loss | (1,246,667) | (1,133,333) |
| Closing | 3,498,000 | 2,742,667 |

20 Associates (continues)

In March 2020 the Group acquired 4% interest in Ambion Heating which is the trading name of Logicor (CH) Limited, a company which is involved in the manufacture and installation of heating panels, for £250,000. In July 2020 AMP invested £3.4m in a convertible loan in Ambion Heating alongside a £3.4m investment by the Future fund. Interest 8% pa is accrued on the loan and rolled-up in the balance. The loan is convertible in July 2023 at a discount of 20% to the latest price per share. It carried an interest rate of 8% p.a The Group recognised interest income of £272,000 for the year (£272,000 in 2022) on this loan which was rolled up into the loan balance.

In July 2021 AMP also received a further 56,610 shares in Ambion Heating in exchange for AMP's right to subscribe for shares at £0.01 each (representing circa 20% of the ordinary share capital of Ambion Heating), exercisable prior to an exit. Logicor (CH) Limited is registered in England and Wales at Unit 7 Thornes Office Park, Monckton Road, Wakefield, West Yorkshire, WF2 7AN, under company number 08133949. Its principal activity is the manufacture and sale of computer-controlled infra-red (CCIR) heating system for modern homes and businesses.

In March 2023 the Group reviewed the latest price of capital funds raised by Ambion Heating and recorded a fair value loss (as held at FVPTL) with the price per share valuation reducing from £10 to £4.50.

In February 2023 The Group has provided its associates with short-term loans amounting to £1,730,000. The Group has assessed the carrying amounts of the loans to associates for impairment as of 31 March 2023 in accordance with IFRS standards. Based on the assessment, no impairments were recognised for the loans to associates.

21 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
- Loan to associate – financial asset at fair value through profit and loss
- Trade and other payables
- Loans and borrowings

AGGREGATED MICRO POWER HOLDINGS LIMITED**(ii) Financial instruments by category****Financial asset**

| | Financial assets measured at amortised cost | | Financial assets at fair value through profit and loss | |
|---|--|----------------------|---|----------------------|
| | 31 March 2023 | 31 March 2022 | 31 March 2023 | 31 March 2022 |
| | £ | £ | £ | £ |
| Current financial assets | | | | |
| Trade receivables | 9,110,280 | 8,522,186 | - | - |
| Cash and cash equivalents | 38,793,642 | 3,150,671 | - | - |
| Other receivables | 11,174,822 | 5,705,583 | - | - |
| | 59,078,744 | 17,378,440 | - | - |
| Non-current financial assets | | | | |
| Investment in associates | - | - | 305,028 | 677,834 |
| Loan to associates | - | - | 3,498,000 | 2,742,667 |
| | - | - | 3,803,028 | 3,420,501 |

Financial Liabilities

| | Financial liabilities measured at amortised cost | | Financial liabilities at fair value through profit and loss | |
|--|---|----------------------|--|----------------------|
| Current financial liabilities | 31 March 2023 | 31 March 2022 | 31 March 2023 | 31 March 2022 |
| | £ | £ | £ | £ |
| Trade Payables | 4,034,294 | 4,312,009 | - | - |
| Accruals and Other Payables | 9,383,289 | 6,741,678 | - | - |
| Invoice Discounting | 1,985,474 | 781,194 | - | - |
| Lease liabilities | 1,714,476 | 830,973 | - | - |
| Loan Notes & external bank debt | 6,109,472 | 41,381 | - | - |
| | 23,227,005 | 12,707,235 | - | - |
| Non-Current financial liabilities | | | | |
| Lease liabilities | 18,786,509 | 17,359,710 | - | - |
| Loan Notes & external bank debt | 131,372,062 | 115,746,129 | - | - |
| Preference Share Capital | 150,750,000 | - | - | - |
| Preference Dividend accrued | 1,561,192 | - | - | - |
| | 302,469,763 | 133,105,839 | - | - |

(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, except for the listed loan notes, approximates their fair value.

21 Financial instruments – Risk Management (continued)

The fair value of the loan notes has been assessed as being lower than the book value at 31 March 2023.

(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

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:

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 the latest price per share at which they raised funding.

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 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 2023 the Group had trade receivables of £9,110,280 (2022: £8,497,646).

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. The Group uses banks that are credit worthy and have a good long term credit rating. At the reporting date the Group's financial assets exposed to credit risk are as follows:

| | 31 March 2023 | 31 March 2022 |
|-----------------------------|----------------------|----------------------|
| | £ | £ |
| Cash balances | 38,793,642 | 3,150,671 |
| Trade and other receivables | 20,285,102 | 15,980,351 |
| | 59,078,744 | 19,131,022 |

AGGREGATED MICRO POWER HOLDINGS LIMITED**21 Financial instruments – Risk Management (continued)**

The Directors are unaware of any factors affecting the recoverability of outstanding balances at 31 March 2023 and 31 March 2022, 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 positive impact on earnings of £14,632 (2022: positive impact of £18,181). 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.

Power price risk

In the case of its flexible generation projects, the Group seeks to reduce market risk by originating projects which have a high proportion of either contracted or regulated income. The Group has secured many valuable Capacity Market contracts with National Grid and Flexibility contracts with distribution network operators.

Finally, where forward spreads are positive and sufficiently attractive, the group will look to hedge a portion of its merchant income by entering into spark spread fix arrangements.

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 weekly basis.

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

| Period ended 31 March 2023 | 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 | - | 4,034,294 | - | - | - | - |
| Accruals and other payables | - | 9,383,289 | - | - | - | - |
| Invoice Discounting | - | 1,985,474 | - | - | - | - |
| Lease liabilities | - | 438,381 | 1,276,096 | 1,749,232 | 2,421,019 | 14,608,030 |
| Loan notes and external bank debt | - | 10,434,951 | 11,370,187 | 13,933,941 | 43,934,706 | 159,701,296 |
| Preference Share Capital | - | - | - | - | - | 234,349,648 |

AGGREGATED MICRO POWER HOLDINGS LIMITED

| | | | | | |
|---|------------|------------|------------|------------|-------------|
| - | 26,276,389 | 12,646,283 | 15,683,173 | 46,355,725 | 408,658,974 |
|---|------------|------------|------------|------------|-------------|

21 Financial instruments – Risk Management (continued)

| Period ended 31 March 2022 | 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 | - | 4,312,009 | - | - | - | - |
| Accruals and other payables | - | 6,662,011 | 79,667 | - | - | - |
| Invoice Discounting | - | 781,194 | - | - | - | - |
| Lease liabilities | - | 235,515 | 595,458 | 726,464 | 662,076 | 15,971,170 |
| Loan notes | - | 2,313,933 | 6,941,800 | 12,090,302 | 36,241,629 | 168,737,834 |
| | - | 14,304,662 | 7,616,925 | 12,816,766 | 36,903,705 | 184,709,004 |

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. During financial year 2023 there has been an average increase of 115% in fibre price, however this has not had a materially adverse impact with customer prices managed on a spot basis with margins and volumes maintained. As the market softens in financial year 2024 a spot approach will continue to be employed until price stability returns.

Capital Management

The Group's capital is made up of share capital, share premium and other reserves as noted in the Statement of Changes in Equity and loans as described in notes 5, 16 and 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 repay

22 Related party transactions

During the financial year one of the directors and their partner held £237,000 and £200,000 of the Group's Loan Notes respectively.

AGGREGATED MICRO POWER HOLDINGS LIMITED

23 Events after the reporting period

On 17th April 2023 the group paid a dividend of £5m and on 1st December 2023 the group paid a dividend of £1.1m.

In April 2023 the group has raised £26m of debt funding to finance the construction of a £45m biomass and e-boiler energy centre to de-carbonise a maltings in the north of England.

In November 2023 the group has raised an additional £15m of debt finance for the construction of 4 grid scale battery storage projects.

In December 2023 the group amended its articles to give the board discretion on whether the preference shares are redeemed. This amendment has allowed the preference shares to be accounted for as equity and this has increased the group net asset value by £150.8m. If the preference shares had been accounted for as equity from their creation the net assets of the Group at 31st March 2023 would have been £110.5m.

24 Leases

Following are the closing balances for right of use asset and lease liability at 31 March 2023 and March 2022:

| | Land and Buildings | Plant & Machinery | Motor Vehicles | Total |
|--|-------------------------------|----------------------------------|---------------------------|-------------------|
| | £ | £ | £ | £ |
| Right of Use Assets | | | | |
| Cost | | | | |
| As at 31 March 2022 | 17,541,304 | 44,262 | 2,638,092 | 20,223,658 |
| Additions | 2,487,892 | - | 291,319 | 2,779,211 |
| Modifications | 373,397 | - | - | 373,397 |
| Disposals | - | - | (376,276) | (376,276) |
| As at 31 March 2023 | 20,402,593 | 44,262 | 2,553,135 | 22,999,990 |
| Depreciation | | | | |
| As at 31 March 2022 | 1,923,176 | 22,131 | 1,362,428 | 3,307,735 |
| Charge | 978,492 | 6,323 | 366,627 | 1,351,443 |
| Reclassification of right of use Asset | - | - | (194,401) | (194,401) |
| As at 31 March 2023 | 2,901,668 | 28,454 | 1,534,654 | 4,464,776 |
| Net book value | | | | |
| As at 31 March 2022 | 15,618,128 | 22,131 | 1,275,664 | 16,915,923 |
| As at 31 March 2023 | 17,500,925 | 15,808 | 1,018,481 | 18,535,214 |

AGGREGATED MICRO POWER HOLDINGS LIMITED**24 Leases (continued)**

| | Land and Buildings | Plant & Machinery | Motor Vehicles | Total |
|--|-------------------------------|----------------------------------|---------------------------|-------------------|
| | £ | £ | £ | £ |
| Right of Use Assets | | | | |
| Cost | | | | |
| As at 31 March 2021 | 15,601,187 | 127,212 | 4,111,506 | 19,839,905 |
| Additions | 892,808 | - | 315,038 | 1,207,846 |
| Revaluation | 1,047,309 | - | - | 1,047,309 |
| Reclassification of right of use Asset | - | (82,950) | (1,641,946) | (1,724,986) |
| Disposals | - | - | (146,506) | (146,506) |
| As at 31 March 2022 | 17,541,304 | 44,262 | 2,638,092 | 20,223,658 |
| Depreciation | | | | |
| As at 31 March 2021 | 983,466 | 93,600 | 1,994,185 | 3,071,251 |
| Charge | 939,710 | 6,323 | 440,498 | 1,386,531 |
| Reclassification of right of use Asset | - | (77,792) | (980,696) | (1,058,488) |
| Disposals | - | - | (91,559) | (91,559) |
| As at 31 March 2022 | 1,923,176 | 22,131 | 1,362,428 | 3,307,735 |
| Net book value | | | | |
| As at 31 March 2021 | 14,617,721 | 33,612 | 2,117,320 | 16,768,654 |
| As at 31 March 2022 | 15,618,128 | 22,131 | 1,275,664 | 16,915,923 |

| | Year Ended 31 Mar 2023 | Year Ended 31 Mar 2022 |
|------------------------------------|-----------------------------------|-----------------------------------|
| | £ | £ |
| Current Liabilities | | |
| Lease Liabilities | 1,714,476 | 830,973 |
| | 1,714,476 | 830,973 |
| Financial Liabilities | | |
| | Year Ended 31 Mar 2023 | Year Ended 31 Mar 2022 |
| | £ | £ |
| Lease Liabilities within 1-2 years | 1,749,232 | 726,464 |
| Lease Liabilities within 2-5 years | 2,421,019 | 662,076 |
| Lease Liabilities after 5 years | 14,608,030 | 15,971,170 |
| | 18,778,281 | 17,359,710 |

AGGREGATED MICRO POWER HOLDINGS LIMITED**25 Adjusted EBITDA reconciliation from Profit/(Loss) from operations**

Below reconciles Adjusted EBITDA of the Group at 31 March 2023 and March 2022

| | | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|-------------|-------------------------------------|-------------------------------------|
| | Note | £ | £ |
| Profit/(Loss) from operations | | 39,388,465 | (1,711,766) |
| Amortisation | 11 | 384,550 | 377,487 |
| Amortisation intangible assets | 9 | (46,209) | (46,209) |
| Amortisation issued costs | | 179,909 | 195,369 |
| Depreciation – Right of use assets | 24 | 1,157,041 | 1,386,531 |
| Loss on financial asset at fair value through profit or loss | 20 | 1,619,473 | 1,472,248 |
| Depreciation – Owned assets | 10 | 8,076,782 | 5,332,251 |
| Impairment of property, plant and equipment | 10 | 1,517,602 | - |
| Re-financing related costs | 5 | 2,376,869 | 810,431 |
| | | 54,654,482 | 7,816,342 |

AGGREGATED MICRO POWER HOLDINGS LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION**

| | | 31 March 2023 | 31 March 2022 |
|---|--------|----------------------|-------------------|
| | Note | £ | £ |
| Fixed assets | | | |
| Investments in subsidiaries | 19, 29 | 92,847,636 | 89,825,136 |
| Deferred Tax Asset | | | 15,987 |
| Investments in associate | 20, 32 | 305,028 | 677,834 |
| Debtors: Amounts falling due after one year | 30 | 13,494,778 | - |
| Loan to associate | 20, 32 | 3,498,000 | 2,742,667 |
| Total non-current assets | | 110,145,442 | 93,261,624 |
| Current assets | | | |
| Debtors: Amounts falling due within one year | 30 | 1,483,311 | 3,979,480 |
| Cash and cash equivalents | | 802,875 | 214,400 |
| Total current assets | | 2,286,186 | 4,193,880 |
| Total assets | | 112,431,628 | 97,455,504 |
| Current liabilities | | | |
| Creditors: amount falling due within one year | 31 | (3,526,644) | (784,093) |
| Total current liabilities | | (3,526,644) | (784,093) |
| Net Current Assets | | (1,240,458) | 3,409,787 |
| Non-current liabilities | | | |
| Preference Shares | | (150,750,000) | - |
| Preference Dividend Payable | | (1,561,192) | - |
| Total non-current liabilities | | (152,311,192) | - |
| Total liabilities | | (155,837,836) | (784,093) |
| Net assets | | (43,406,208) | 96,671,411 |
| Equity attributable to equity holders of the company | | | |
| Paid up share capital | 17 | 834,515 | 651,209 |
| Share premium account | 17 | 9,255,412 | 77,194,003 |
| Other reserve | | 10,711,532 | 10,711,532 |
| Capital contribution | | 5,633,217 | 5,633,217 |
| Other equity | | (72,867,715) | - |
| Retained earnings | | 3,026,831 | 2,481,450 |
| Total equity | | (43,406,208) | 96,671,411 |

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 income for the financial year was £545,381 (2022: Loss of £1,536,471).

The company financial statements were approved by the Board and authorised for issue by the board of Directors on 20th December 2023 by:

Mark Tarry

Chief Executive Officer

DocuSigned by:



AF170279201B414

The notes on pages 65 to 69 form part of these company financial statement.

AGGREGATED MICRO POWER HOLDINGS LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY**

| Period ended 31 March 2023 | Share capital £ | Share premium £ | Other Reserve £ | Capital contribution £ | Retained earnings £ | Other equity £ | Total £ |
|---------------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------------|------------------------------------|---------------------------|---------------------|
| Equity as at 1 April 2022 | 651,209 | 77,194,003 | 10,711,532 | 5,633,217 | 2,481,450 | - | 96,671,411 |
| Profit for the period | - | - | - | - | 545,381 | - | 545,381 |
| Total | - | - | - | - | 545,381 | - | 545,381 |
| comprehensive income | | | | | | | |
| Issue of share capital | 183,306 | 9,943,694 | - | - | - | - | 10,127,000 |
| Issue of preference shares | - | (77,882,285) | - | - | - | (72,867,715) | (150,750,000) |
| Equity as at 31 March 2023 | 834,515 | 9,255,412 | 10,711,532 | 5,633,217 | 3,026,831 | (72,867,715) | (43,406,208) |

| Period ended 31 March 2022 | Share capital £ | Share premium £ | Other Reserve £ | Capital contribution £ | Retained earnings £ | Total £ |
|---------------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------------|------------------------------------|--------------------|
| Equity as at 1 April 2021 | 493,914 | 45,892,298 | 10,711,532 | 5,633,217 | 4,017,921 | 66,748,882 |
| Loss for the period | - | - | - | - | (1,536,471) | (1,536,471) |
| Total | - | - | - | - | (1,536,471) | (1,536,471) |
| comprehensive income | | | | | | |
| Issue of share capital | 157,295 | 31,301,705 | - | - | - | 31,459,000 |
| Equity as at 31 March 2022 | 651,209 | 77,194,003 | 10,711,532 | 5,633,217 | 2,481,450 | 96,671,411 |

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.

Capital contribution reserve: contribution from the shareholders.

The Notes on pages 65 to 69 form part of these company financial statements.

26 Accounting policies

Aggregated Micro Power Holdings Limited (The company) is a private limited company. It is limited by share capital and is incorporated in England and Wales. Its registered number is 08372177. The registered office is 3rd Floor, 1 Dover Street, London, W1S 4LD. The financial statements of the company for the year ended 31 March 2023 and 31 March 2022 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 functional and presentation currency is GBP.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. There are no critical accounting estimates that have a significant risk of causing a material adjustment to the financial statements.

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 undertakings

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

Deferred tax

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

Financial assets

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

Financial liabilities and equity

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

AGGREGATED MICRO POWER HOLDINGS LIMITED**27 Employees**

The company had no direct employees, other than the Directors, in the period to 31 March 2023 (2022: NIL). No costs of employment were recharged to the company in the period to 31 March 2023. (2022: NIL)

28 Directors

Details of the remuneration of the company's Directors are outlined in Note 6 of the Group's financial statements and the director's report. 3 non-executive Directors were remunerated £ NIL from the company in year ended 31 March 2023 (2022: £ NIL). The executive Directors are employed and paid out of AMP Energy Services Limited, which is a wholly owned subsidiary of the company. Since Asterion's acquisition of AMP, no payments have been made to the non-executive Directors.

Key management personnel are all the Directors of the company.

29 Investments in subsidiaries

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|-----------------------------------|-------------------------------------|-------------------------------------|
| | £ | £ |
| Cost at 1 April 2022 | 89,825,136 | 58,720,422 |
| Additions | 3,750,000 | 31,104,714 |
| Amortisation of Listed Loan Notes | (727,500) | - |
| Cost at 31 March 2023 | 92,847,636 | 89,825,136 |

The additions for the year represent investments in subsidiaries.

Overall investment in listed loan notes of Aggregated Micro Power Infrastructure 2 Plc as at 31 March 2023 is £29.1m (2022: £29.1m).

Please refer to note 19 for details of each subsidiary.

30 Debtors

| | Year Ended 31 March 2023 £ | Year Ended 31 March 2022 £ |
|---|----------------------------------|----------------------------------|
| Debtors: Amounts falling due within one year | | |
| Prepayments | 187,008 | 90,480 |
| Other debtors | - | 53,235 |
| VAT receivable | 46,303 | 17,043 |
| Amounts owed by Group undertakings | 1,250,000 | 3,818,722 |
| | 1,483,311 | 3,979,480 |

The amounts owed by Group undertakings are intercompany loans with 0% interest rate. The loans are repayable on demand.

| | Year Ended 31 March 2023 £ | Year Ended 31 March 2022 £ |
|--|----------------------------------|----------------------------------|
| Debtors: Amounts falling due after one year | | |
| Amounts owed by Group undertakings | 13,494,778 | 3,818,722 |
| | 13,494,778 | 3,979,480 |

The amounts owed by Group undertakings are intercompany loans with 0% interest rate. The loans are repayable on demand.

31 Creditors: amounts falling within one year

| | Year Ended 31 March 2023 £ | Year Ended 31 March 2022 £ |
|------------------------------------|----------------------------------|----------------------------------|
| Trade creditors | 329,646 | 13,248 |
| Accruals | 204,829 | 94,875 |
| Amounts owed to Group Undertakings | 2,979,693 | 659,069 |
| Other creditors | 12,475 | 16,901 |
| | 3,526,643 | 784,093 |

The amounts owed to Group undertakings are intercompany loans with 0% interest rate. The loans are repayable on demand.

Creditors: amounts falling after one year

| | Year Ended 31 March 2023 £ | Year Ended 31 March 2022 £ |
|-----------------------------|----------------------------------|----------------------------------|
| Preference Shares | 150,750,000 | - |
| Preference Dividend Payable | 1,561,192 | - |
| | 152,311,192 | - |

AGGREGATED MICRO POWER HOLDINGS LIMITED**32 Financial instruments****Financial assets measured
at amortised cost****Investments in subsidiaries**

| | 31 March 2023 | 31 March 2022 |
|--|----------------------|----------------------|
| | £ | £ |
| Investments in subs recognised at cost less impairment | 92,847,636 | 89,825,136 |

Financial assets at fair value through profit and loss

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|------------------------------------|-------------------------------------|-------------------------------------|
| | £ | £ |
| Opening | 677,834 | 1,016,749 |
| Fair value through profit and loss | (372,806) | (338,915) |
| Closing | 305,028 | 677,834 |

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| | £ | £ |
| Non-current financial assets | | |
| Opening | 2,742,667 | 3,604,000 |
| Interest received | 272,000 | 272,000 |
| Loans granted | 1,730,000 | - |
| Fair value through profit and loss | (1,246,667) | (1,133,333) |
| Closing | 3,498,000 | 2,742,667 |

| | 31 March 2023 | 31 March 2022 |
|--------------------------------------|----------------------|----------------------|
| | £ | £ |
| Current financial liabilities | | |
| Creditors | 1,550,518 | 784,093 |
| | 1,550,518 | 784,093 |

| | 31 March 2023 | 31 March 2022 |
|--|----------------------|----------------------|
| | £ | £ |
| Non-Current financial liabilities | | |
| Preference Shares | 150,750,000 | - |
| Preference Dividend Payable | 1,561,192 | - |
| | 152,311,192 | - |

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.

33 Financial and capital commitments-

The company had no operating, financial or capital commitments at 31 March 2023 or 31 March 2022.

The Group has provided the following guarantees at 31 March 2023:

As permitted by s479a of the Companies Act 2006 ('the Act'), the Company has provided guarantees in respect of all outstanding liabilities relating to the year ended 31 March 2023 in respect of the following Group undertakings, which are consequently exempt from the requirements of the Act relating to the audit of individual accounts:

| | |
|--|---|
| Aggregated Micro Power Limited - 07361552 | AMP Development Holdings Limited |
| Highland Wood Energy Limited - 07442170 | AMP Projects FinCo 2 Limited - 14461438 |
| PEL (Fuels) Limited - 10493363 | AMP Biomass (AssetCo 1) Limited - 14465135 |
| AMP Clean Energy Services Holding Limited - 07425592 | AMP Biomass Holdings Limited - 13726902 |
| Stock Warehouse Company Limited - 11387926 | AMP Biomass FinCo Limited - 13731847 |
| Billington Bioenergy Limited - 09164604 | Urban Reserve Holdings Limited - 13725582 |
| AMP Project Holdings Limited - 14414464 | Urban Reserve FinCo Limited - 13727929 |
| Moffat Grid Stability Limited - 11321826 | AMPIL TreasuryCo Limited - 09743951 |
| Eccles Grid Stability Limited - 11323302 | Free Ideal Biomass (Stage 1) Limited - 08170258 |
| Urban Reserve Storage Limited - 13068772 | Forest Fuels Boiler Company Limited - 10693363 |
| AMP Clean Energy Limited - 11320925 | |

All companies have the same registered address of 3rd Floor, 1 Dover Street, London, W1S 4LD

34 Principal subsidiary undertakings

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

35 Ultimate parent undertaking and Controlling party

The immediate parent is and the largest group accounts in which the Company consolidates into is Fossa HoldCo Limited, by virtue of its shareholding in Aggregated Micro Power Holdings Limited. Fossa HoldCo Limited is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales, registration number 12308829. The registered office is Michelin House, 81 Fulham Road, London, United Kingdom, SW3 6RD. A copy of the accounts can be obtained at Fossa Hold Co Limited's registered office.

Smallest group accounts in which the Company consolidates into is Aggregated Micro Power Holdings Limited. The registered office is 3rd Floor, 1 Dover Street, London, United Kingdom, W1S 4LD. A copy of the accounts can be obtained at Aggregated Micro Power Holdings Limited's registered office.

The ultimate controlling party, in which the Company forms part of the consolidated results, is ASTERION INDUSTRIAL INFRA FUND I, FCR (authorised by the Spanish Securities Market Commission under number 240, with registered address at Serrano 16, 2 floor. Madrid Spain 28001).

ASTERION INDUSTRIAL INFRA FUND I, FCR is managed by ASTERION INDUSTRIAL PARTNERS, SGEIC, S.A. (authorised by the Spanish Securities Market Commission under number 138, with registered address at Serrano 16, 2 floor. Madrid Spain 28001).