

AMP ENERGY SERVICES LIMITED

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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AMP ENERGY SERVICES LIMITED

COMPANY INFORMATION

Directors	Neil Eckert Helene Crook Mark Tarry
Secretary	Lauren Paton
Company number	07342849
Registered office	5 Clifford Street London W1S 2LG
Auditors	BDO LLP 55 Baker Street London W1U 7EU
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP

AMP ENERGY SERVICES LIMITED

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AMP ENERGY SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the audited financial statements for the year ended 31 December 2014.

Principal activities

The business's principal activities include the development of renewable energy projects and the provision of associated services such as contract management, operation and maintenance and fuel supply. On the 1 May 2014, AMP Heat Limited including its portfolio of five biomass boiler projects was sold to Aggregated Micro Power Infrastructure Limited ("AMPIL") for a cash consideration of £508,458. AMPIL is a special purpose vehicle which is wholly owned by Law Debenture plc as trustee for general charitable purposes and is not a related party of the AMP Group for UK company law purposes.

Results

The loss for the year, after taxation, amounted to £4,487,914 (2013 - loss £1,199,663).

Directors

The directors who served during the year were:

Neil Eckert
Helene Crook
Mark Tarry (appointed 12 May 2014)

Going concern

After reviewing the Company's operations, financial position and short and long term cash flow forecasts, the Directors have a reasonable expectation that the Company has adequate resources to continue operating and meet its financial obligations. The parent company have provided letter of support for the loan.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this director's report advantage has been taken of the small companies' exemption.

This report was approved by the board and signed on its behalf.



Helene Crook
Director
Date: 30/09/2015

AMP ENERGY SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AMP ENERGY SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AMP ENERGY SERVICES LIMITED

We have audited the financial statements of AMP Energy Services Limited for the year ended 31 December 2014 comprising the profit and loss account and balance sheet and the related notes. The financial Reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

AMP ENERGY SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AMP ENERGY SERVICES LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Marc Reinecke (Senior statutory auditor)

For and on behalf of
BDO LLP, statutory auditor

55 Baker Street
London
W1U 7EU

Date: 30/9/2015

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

AMP ENERGY SERVICES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
Turnover		387,597	520,361
Administrative expenses		<u>(3,599,909)</u>	<u>(1,225,435)</u>
Operating loss	2	(3,212,312)	(705,074)
Specific bad debt written off	3	(982,867)	-
Profit on disposal of subsidiary		508,457	-
Interest receivable and similar income	6	30,088	58,432
Interest payable and similar charges	7	<u>(831,280)</u>	<u>(553,021)</u>
Loss on ordinary activities before taxation		(4,487,914)	(1,199,663)
Tax on loss on ordinary activities	8	<u>-</u>	<u>-</u>
Loss for the year	16	<u><u>(4,487,914)</u></u>	<u><u>(1,199,663)</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

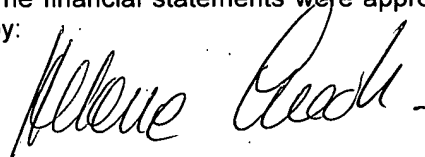
The notes on pages 7 to 13 form part of these financial statements.

AMP ENERGY SERVICES LIMITED
REGISTERED NUMBER: 07342849

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	9		257,315		4,744
Investments	10		<u>-</u>		<u>1</u>
			257,315		4,745
Current assets					
Stocks	11	332,257		-	
Debtors: amounts falling due within one year	12	314,014		2,315,963	
Cash at bank and in hand		<u>11,475</u>		<u>19,829</u>	
		657,746		2,335,792	
Creditors: amounts falling due within one year	13	<u>(8,802,478)</u>		<u>(5,740,040)</u>	
Net current liabilities			<u>(8,144,732)</u>		<u>(3,404,248)</u>
Total assets less current liabilities			(7,887,417)		(3,399,503)
Net liabilities			<u>(7,887,417)</u>		<u>(3,399,503)</u>
Capital and reserves					
Called up share capital	14		1		1
Profit and loss account	15		<u>(7,887,418)</u>		<u>(3,399,504)</u>
Shareholders' Deficit	16		<u>(7,887,417)</u>		<u>(3,399,503)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Helene Crook
Director
Date: 30/09/2015

The notes on pages 7 to 13 form part of these financial statements.

AMP ENERGY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. Accounting policies

1.1 Basis of preparation of financial statements

The Company financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principal accounting policies, which have been applied consistently, are set out below.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006 as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its ultimate parent, Aggregated Micro Power Holding PLC, a company listed on the Alternative Investment Market ('AIM'). These financial statements therefore present information about the Company as an individual undertaking and not about its group.

1.2 Investments in subsidiary undertakings

Investments by the Company in the shares of subsidiary undertakings are stated at cost less any provision, where in the opinion of the Directors, there has been a permanent impairment in the value of any such investment.

Investments are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. All turnover is wholly attributable to the principal activities of the company and arises solely within the UK.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures, fittings & equipments	-	3-5 years straight line
Computer equipment	-	3-5 years straight line

1.5 Deferred taxation

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 balance sheet 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 balance sheet date.

Deferred tax balances are not are not discounted.

1.6 Current taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

AMP ENERGY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1.7 Foreign currency translation

Transactions entered into by the Company in a currency other than the currency of the primary economic environment in which it operates (its '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 balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the profit and loss account.

1.8 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Going concern

The directors of the parent company have undertaken to continue to provide financial support to enable the company to continue in operation. This support will also consist of not demanding repayment of the loans due unless the company has the cash funds available, and at such time that repayment will not adversely effect the ability of the company to continue trading as a going concern.

2. Operating loss

The operating loss is stated after charging/(crediting):

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	2,075	(3,518)
Intercompany debtors provision	1,793,954	-
Auditors' remuneration	4,000	-
Difference on foreign exchange	-	12

In 2013, the company's audit fees were recognised in Aggregated Micro Power Limited and therefore no audit fees were recognised in the company accounts. The Company's share of the audit fee for the year 2013 was £5,000.

Following the impairment of AMP Low Plains, a bad debt provision has been recognised against the full debtor balance of £1,793,954 outstanding from AMP Low Plains Ltd.

3. Specific bad debt written off

On 1 May 2014, the company disposed AMP Heat Limited (a 100% subsidiary) for a profit of £508,457. The intercompany debtor balance of £982,867 was written off after the sale. This has been recognised as bad debt write off expense through profit and loss account.

AMP ENERGY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

4. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2014 £	2013 £
Wages and salaries	996,720	707,393
Social security costs	131,724	87,154
Other pension costs	95,920	103,469
	<u>1,224,364</u>	<u>898,016</u>

The pension costs are in relation to a defined contribution scheme. There are no amounts outstanding /prepaid at the year end for pension contributions.

The average number of employees, including the directors, during the year was as follows:

	2014 No.	2013 No.
	<u>11</u>	<u>11</u>

5. Directors' remuneration

	2014 £	2013 (Restated) £
Gross salary	444,904	228,750
Medical insurance	6,632	9,087
Pension	26,277	34,313
Severance Payments	29,095	-
Total	<u>506,908</u>	<u>272,150</u>

The retirement benefits are in relation to 3 directors (2013: 2).

Other information regarding the highest paid director is as follow;

	2014 £	2013 £
Short term employee benefits	200,000	161,250
Total pension and other employment benefit costs	<u>2,525</u>	<u>27,866</u>
Total	<u>202,525</u>	<u>189,116</u>

AMP ENERGY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

6. Interest receivable

	2014 £	2013 £
Interest receivable from group companies	<u>30,088</u>	<u>58,432</u>

7. Interest payable

	2014 £	2013 £
On loans from group undertakings	<u>831,280</u>	<u>553,021</u>

8. Taxation

Factors affecting tax charge for the year

	2014 £	2013 £
Loss on ordinary activities before tax	<u>(4,487,914)</u>	<u>(1,199,663)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.25% (2013 - 23.25%)	(953,682)	(294,485)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation	382,145	2,716
Capital allowances for year in excess of depreciation	-	(818)
Unrelieved tax losses carried forward	302,407	221,833
Group relief	269,130	70,754
Current tax charge for the year (see note above)	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

A number of changes to the UK corporation tax system were announced in the March 2015 Budget Statement. The Finance Act 2015 which was substantially enacted on 2 July 2015 includes legislation reducing the main rate of corporation tax from 21% to 20% from 1 April 2015 and further reducing the main rate of corporation tax from 20% to 19% from 1st April 2017.

The company has tax losses to carry forward of £3.0m (2013: £1.5m) to offset against future profits. A deferred tax asset of £600K (2013: £300K) has not been recognised to the extent that it is expected to reverse in the foreseeable future. The deferred tax rate for 31 December 2014 is 20% being the substantively enacted rate at the end of the year.

AMP ENERGY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

9. Tangible fixed assets

	Assets under construction £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2014	-	4,770	2,216	6,986
Additions	253,741	-	904	254,645
At 31 December 2014	253,741	4,770	3,120	261,631
Depreciation				
At 1 January 2014	-	742	1,500	2,242
Charge for the year	-	1,590	484	2,074
At 31 December 2014	-	2,332	1,984	4,316
Net book value				
At 31 December 2014	253,741	2,438	1,136	257,315
At 31 December 2013	-	4,028	716	4,744

10. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2014	1
Disposals	(1)
At 31 December 2014	-
Net book value	
At 31 December 2014	-
At 31 December 2013	1

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
AMP Heat Limited	Ordinary	100 %

On the 1 May 2014, AMP Heat Limited including its portfolio of five biomass boiler projects was sold to Aggregated Micro Power Infrastructure Limited ("AMPIL") for a cash consideration of £508,458.

AMP ENERGY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

11. Stocks

	2014 £	2013 £
Biomass boilers - work in progress	<u>332,257</u>	<u>-</u>

12. Debtors

	2014 £	2013 £
Trade debtors	62,927	5,258
Other debtors	108,337	30,390
Accrued income- Intercompany	110,047	1,645,320
Prepayments	32,703	848
Amounts owed by group undertakings	<u>-</u>	<u>634,147</u>
	<u>314,014</u>	<u>2,315,963</u>

13. Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	285,136	674
Taxation and social security	53,717	31,687
Accruals and deferred income	27,485	3,055
Amounts owed to group undertakings	<u>8,436,140</u>	<u>5,704,624</u>
	<u>8,802,478</u>	<u>5,740,040</u>

The whole or any part of the loan is payable on demand at any time but in any event by 18 March 2021. The parent company has provided a letter of support declaring not to request any payments unless the company has the cash funds available. The interest is charged at 12% per annum, accruing from day to day on the basis of a year of 365 days.

14. Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
1- Ordinary share of £1	<u>1</u>	<u>1</u>

AMP ENERGY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

15. Statement of movements on profit and loss account

	Profit and loss account £
At 1 January 2014	(3,399,504)
Loss for the financial year	(4,487,914)
At 31 December 2014	<u>(7,887,418)</u>

16. Reconciliation of movement in shareholders' deficit

	2014 £	2013 £
Opening shareholders' deficit	(3,399,503)	(2,199,840)
Loss for the financial year	<u>(4,487,914)</u>	<u>(1,199,663)</u>
Closing shareholders' deficit	<u>(7,887,417)</u>	<u>(3,399,503)</u>

17. Related party transactions

The Company has taken advantage of the exemption conferred by FRS 8 (Related Party Disclosures) not to disclose transactions with wholly owned subsidiary undertakings within the Aggregated Micro Power Holdings PLC group. For details of related parties with the company see Note 22 of the group financial statements of AMP Holdings PLC, the company's ultimate parent undertaking, whose financial statements are publicly available.

18. Ultimate parent undertaking and controlling party

The ultimate parent undertaking is Aggregated Micro Power Holdings Plc ('AMPPLC') by virtue of its shareholding.

19. Cash flow statements

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

20. Financial and capital commitments

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