

AMP HEAT LIMITED
DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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COMPANIES HOUSE

AMP HEAT LIMITED

COMPANY INFORMATION

Directors	L.D.C. Corporate Director No. 5 Limited Charles Leahy
Company secretary	Lauren Paton
Registered number	07722340
Registered office	5 Clifford Street London W1S 2LG
Independent auditors	BDO LLP 55 Baker Street London W1U 7EU
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP

AMP HEAT LIMITED

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AMP HEAT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

Principal activities

The business's principal activity is the development of biomass boiler projects, or "ESCOs", which provide customers with renewable heat over a contractual term. AMP Heat developed a series of projects during the course of 2013 before being sold to AMP Infrastructure Limited, a separate legal entity from AMP Holdings plc, in May 2014.

Results

The loss for the year, after taxation, amounted to £215,008 (2012 - loss £242,551).

Directors

Neil Eckert (resigned 1 May 2014)
Mathew Whittell (resigned 13 March 2014)
Lauren Paton (appointed 1 May 2014, resigned 28 July 2014)
L.D.C Corporate Director No. 5 Limited (appointed 28 July 2014)
Charles Leahy (appointed 28 July 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 has 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 directors' report advantage has been taken of the small companies' exemption.

By order of the Board



Lauren Paton
Company Secretary

Date: 30/09/14

AMP HEAT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

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 judgements 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 HEAT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AMP HEAT LIMITED

We have audited the financial statements of AMP Heat Limited for the year ended 31 December 2013 which comprise 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 Financial Reporting Council'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 2013 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.

Other Matter

The corresponding figures for the period ended 31 December 2012 are unaudited.

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 HEAT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AMP HEAT 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 September 2014

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

AMP HEAT LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

		2013	As restated
	Note	£	2012
			£
Administrative expenses		<u>(156,576)</u>	<u>(235,888)</u>
Operating loss		(156,576)	(235,888)
Interest payable and similar charges	3	<u>(58,432)</u>	<u>(6,663)</u>
Loss on ordinary activities before taxation		(215,008)	(242,551)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
Loss for the year	10	<u>(215,008)</u>	<u>(242,551)</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

The notes on pages 7 to 11 form part of these financial statements.

AMP HEAT LIMITED
REGISTERED NUMBER: 07722340

BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£	2013 £	As restated 2012 £
Fixed assets				
Tangible assets	5		176,220	-
Current assets				
Debtors	6	333		1
Cash at bank		<u>36</u>		<u>-</u>
		369		1
Creditors: amounts falling due within one year	7	<u>-</u>		<u>(60)</u>
Net current assets/(liabilities)			<u>369</u>	<u>(59)</u>
Total assets less current liabilities			176,589	(59)
Creditors: amounts falling due after more than one year	8	<u>(634,147)</u>		<u>(242,491)</u>
Net liabilities			<u>(457,558)</u>	<u>(242,550)</u>
Capital and reserves				
Called up share capital	9		1	1
Profit and loss account	10		<u>(457,559)</u>	<u>(242,551)</u>
Shareholders' deficit	11		<u>(457,558)</u>	<u>(242,550)</u>

The financial statements were approved and authorised for issue by the board on 30 September 2014 and were signed on its behalf by:



L.D.C. Corporate Director No. 5 Limited
Director
Date: 30 September 2014

The notes on pages 7 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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.

1.2 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:

Plant and machinery	- 3-20 years straight line
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Depreciation on assets classed as plant and machinery does not commence until they are complete, commissioned and available for use.

1.3 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 discounted.

1.4 Foreign currencies

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.

1.5 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.

1.6 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. For this reason, the financial statements have been prepared as a going concern.

AMP HEAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

2. Operating loss

The company's audit fees were recognised in the Aggregated Micro Power Limited financial statements and not recharged therefore no audit fees were recognised in the company accounts (2012 - £NIL).

3. Interest payable

	2013 £	As restated 2012 £
On loans from group undertakings	<u>58,432</u>	<u>6,663</u>

4. Taxation

On the basis of financial statements no provision has been made for corporation tax.

Factors affecting tax charge for the year

	2013 £	2012 £
Loss on ordinary activities before tax	<u>(215,008)</u>	<u>(242,551)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	(49,989)	(59,425)
Effects of:		
Unrelieved tax losses carried forward	49,989	72,954
Losses unavailable to be carried forward	-	(13,529)
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 2013 Budget Statement. The Finance Act 2013 which was substantially enacted on 2 July 2013 includes legislation reducing the main rate of corporation tax from 24% to 23% from 1 April 2013 and further reducing the main rate of corporation tax from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015.

The company has tax losses to carry forward of £0.4m (2012: £0.2m) to offset against future profits. A deferred tax asset has not been recognised to the extent that it is expected to reverse in the foreseeable future.

AMP HEAT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

5. Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2013	-
Additions	<u>176,220</u>
At 31 December 2013	<u>176,220</u>
Depreciation	
At 1 January 2013 and 31 December 2013	<u>-</u>
Net book value	
At 31 December 2013	<u><u>176,220</u></u>
At 31 December 2012	<u><u>-</u></u>

6. Debtors

	2013 £	2012 £
Other debtors	<u>333</u>	<u>1</u>

7. Creditors: amounts falling due within one year

	2013 £	2012 £
Bank loans and overdrafts	<u>-</u>	<u>60</u>

8. Creditors: amounts falling due after more than one year

	2013 £	As restated 2012 £
Amounts owed to group undertakings	<u>634,147</u>	<u>242,491</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 within 12 months from the date of signing of the accounts. The interest is charged at 12% per annum, accruing from day to day on the basis of a year of 365 days.

AMP HEAT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

9. Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

10. Statement of movements on profit and loss account

	Profit and loss account £
At 1 January 2013	(242,551)
Loss for the period	(215,008)
	<u> </u>
At 31 December 2013	<u>(457,559)</u>

11. Reconciliation of movement in shareholders' deficit

	2013 £	As restated 2012 £
Opening shareholders' deficit	(242,550)	-
Loss for the financial year	(215,008)	(242,551)
Shares issued during the year	<u>-</u>	<u>1</u>
Closing shareholders' deficit	<u>(457,558)</u>	<u>(242,550)</u>

AMP HEAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

12. Financial and capital commitments

The company had no financial or capital commitments at 31 December 2013.

13. 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 24 of the group financial statements of Aggregated Micro Power Holdings plc ("AMPPLC"), the company's ultimate parent undertaking, whose financial statements are publicly available.

14. Ultimate parent undertaking and controlling party

In 2012 the controlling party was Neil Eckert by virtue of his share ownership. On the 23 January 2013 AMPPLC purchased the entire share capital of Aggregated Micro Power Limited (the immediate parent company of AMP Energy Services Limited (formerly Environova Limited) the immediate parent of the company) and Neil Eckert remained the controlling party. In July 2014 AMPPLC was admitted to the Alternative Investment Market ("AIM") following a £9.5m public placing in July 2014. Neil Eckert, the Group's Chairman, remains the largest shareholder in the Group with an equity interest of 30%.

On the 1 May 2014 control was transferred to AMPIL, please see note 18 for details.

15. 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 AMPPLC, the Company's ultimate parent undertaking, whose financial statements are publicly available.

16. Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2012 - £NIL).

17. Restatement of prior year comparatives

The intercompany interest charge for prior year is restated to include the £6,663 (net) which was incorrectly recorded after the year end. This increases the loss for 2012 to £242,550 from £235,887 and increases the inter-company creditor to £242,491 from £235,828. The inter-company payables of £242,491 were reclassified as due more than one year from due within one year, as this more accurately reflects the repayment terms of the inter-company loan financing.

18. Post balance sheet events

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 an orphan special purpose vehicle whose shares are wholly owned by The Law Debenture Intermediary Corporation plc under a declaration of trust for general charitable purposes and is not a related party of the AMP Group for UK company law purposes.