

29 September 2015

**Aggregated Micro Power Holdings plc
("AMP" or the "Group")**

Interim Results

Aggregated Micro Power Holdings plc, (AIM: AMPH), the renewable energy developer focused on biomass, announces its unaudited interim results for the six months ended 30 June 2015.

- Group revenue increased to £627,275 (H1 2014: £146,036)
- Biomass Boiler ESCO (energy service company) pipeline in excess of £10m expected to be refinanced by AMPIL¹ generating development fees for AMP
- The older plant at Low Plains to be replaced with in-line Spanner² systems, which will result in an impairment of £2.8m. Further investment subject to project financing being completed
- Planning conditions being discharged to enable construction to commence at Hill Barton and Kingsnorth, subject to project financing being completed
- Co-developer on two 50MWe CHP developments on the Humber awaiting next round of Contracts for Difference auction, which may result in significant development fees for AMP

Post-period end

- Option Arrangement with the sellers of Forest Fuels Holdings Ltd ("Forest Fuels") to acquire 100% of Forest Fuels by 31 December 2015, on terms that have been substantially agreed, which include the issue of 200,000 AMP Ordinary Shares, £3.0m in cash and following certain performance criteria being met, a further 2.5m new Ordinary Shares in due course. If the option is not exercised by AMP by 31 December 2015, the sellers of Forest Fuels shall be entitled to subscribe for in aggregate, 200,000 AMP Ordinary Shares at nominal value
- In negotiations for £37m of project finance to fund the acquisition of Forest Fuels, the refurbishment of Low Plains and the construction of Hill Barton and Kingsnorth. The negotiations are subject to the outcome of the Government Spending Review in November

The Strategic Partnership and Option to Acquire 100% of Forest Fuels includes:

- On-going assistance with funding wood chip drying facilities on Forest Fuels' existing depots
- Assistance with Forest Fuels ESCO developments which can be sold on to AMPIL
- Future sale of dried wood chip to Forest Fuels from AMP gasification plants at Low Plains, Hill Barton and Kingsnorth
- Sale of wood pellet and wood chip to biomass boilers managed by AMP on behalf of AMPIL

1 AMPIL is a special purpose vehicle which is wholly owned by Law Debenture for general charitable purposes and is funded via the issuance of listed loan notes.

2 Spanner systems are manufactured in Germany and are widely installed in a number of European countries with over 480 reference sites.

Richard Burrell, Chief Executive of Aggregated Micro Power Holdings plc, said:

"Our operating loss for the period is in line with management expectations and reflects the expensing of overheads in advance of future development fees being paid. Given the strength of our biomass boiler pipeline, I am confident that significant development fee income will be received by the Group during the coming months.

I am delighted that AMP has secured an option to acquire 100% of Forest Fuels, a leading and profitable biomass chip and pellet distributor with sales representing 10% of the UK chip market. If successful, this acquisition would help us to further develop our pipeline of biomass boilers and provide fuel for the existing AMPIL boiler base as well as provide an off-take for our future CHP developments.

Aggregated Micro Power Holdings plc

Our business is currently affected by the uncertainty that exists around Government policy towards renewable subsidies and specifically the Renewable Heat Incentive. The project financing of our three CHP sites is subject to review until there is further clarity as to the future of this policy in November 2015.

The recent Government support for nuclear has underpinned a commitment to support low carbon energy generation which can provide baseload power to the National Grid. At the same time, the Government is behind on its targets to produce heat from renewable sources. Biomass CHP addresses both these issues and should be a positive stimulus within government for continued support for the Renewable Heat Incentive and the Contracts for Difference subsidy mechanisms, both of which remain important drivers to the creation of shareholder value for AMP.”

Enquiries

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Notes to Editors:

About Aggregated Micro Power Holdings plc

AMP was established to develop, own and operate renewable energy generating facilities. AMP’s strategy is to develop and operate projects using small-scale technologies for converting biomass to energy and to sell the energy produced in the form of electricity, heat and wood fuel.

Regulatory Update

Renewable Obligation Certificates (ROCs)

- Budgetary mechanism secured until March 2017
- Low Plains, Hill Barton and Kingsnorth eligible

Renewable Heat Incentive (RHI)

- Configuration of Low Plains refurbishment has been pre-accredited
- Existing budget secure to March 2016
- Future budget awaiting outcome of November 2015 Spending Review

Contracts for Difference (CFDs)

- Second round auction expected to be confirmed by end 2015
- CfDs anticipated to replace ROCs on all new CHP schemes from April 2017

Aggregated Micro Power Holdings plc

Executive Chairman's Statement

The first six months of this year have seen the further development of our small scale biomass boiler business and the securing of capital to fund these projects via AMPIL. We have also been developing our pipeline of CHP projects at Low Plains, Hill Barton and Kingsnorth, and on raising the project finance to complete these schemes.

Our decision to include Low Plains in the future project financing has resulted in an impairment charge of £2.8m as we will need to replace the older, less efficient plant with more modern and reliable equipment from Germany. We are confident that by using a single technology (Spanner in-line systems) across all three of our sites we will be able to increase plant up-time as well as operating performance. We will also benefit from economies of scale in fuel ordering and preparation, staff training and spare parts ordering.

I am delighted that the acquisition of Forest Fuels is now firmly on our agenda. Forest Fuels has around 10% of the UK wood fuels market and it supplies wood pellet and wood chip to an installed boiler base of over 1,000. We have been working with Forest Fuels to secure further ESCO opportunities for AMPIL and to develop chip drying facilities on existing Forest Fuels depots, both of which will earn development fees for AMP. The recent regulations regarding fuel quality have helped to stimulate the market for forced dried wood chip and AMP's strategy, which is focussed on using surplus heat at its CHP plants to dry wood chip for onward sale, will provide the Forest Fuels team with a significant capability to sell high quality wood chip into a growing biomass boiler market.

Our biomass boiler pipeline of ESCO opportunities is running ahead of budget and we have recently announced securing funding of our pipeline through the successful £4.8m fund raising into AMPIL. A further £5m is at the final heads of terms stage and we are confident that this will be deployed before the end of this financial year allowing AMP to generate further development fees.

I would like to thank our shareholders, management and staff for their continued commitment and hard work.

Neil Eckert
Executive Chairman
29 September 2015

Aggregated Micro Power Holdings plc

Independent Review Report to Aggregated Micro Power Holdings plc

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2015 which comprises the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated cash flow statement, the consolidated statement of changes in equity and the related notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on AIM which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on AIM and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability

Aggregated Micro Power Holdings plc

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2015 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

BDO LLP
Chartered Accountants and Registered Auditors
Location
United Kingdom
Date

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

Aggregated Micro Power Holdings plc

Condensed consolidated statement of comprehensive income

For the six months ended 30 June 2015

	Note	Six months ended 30 Jun 2015 Unaudited £	Six months ended 30 Jun 2014 Unaudited £
Continuing operations			
Revenue		627,275	146,036
Cost of sales		(599,698)	(59,269)
Gross profit		<u>27,577</u>	<u>86,767</u>
Administrative expenses		(1,914,025)	(1,467,003)
Impairment loss	4	(2,792,005)	-
Fair value adjustment on deferred contingent consideration	11	-	(397,114)
Total administrative expenses		<u>(4,706,030)</u>	<u>(1,864,117)</u>
Loss from operations		(4,678,453)	(1,777,350)
Finance income		17,800	
Finance expense		(35,943)	(56,410)
Loss before tax		(4,696,596)	(1,833,760)
Tax credit		-	54,148
Loss for the period from continuing operations		(4,696,596)	(1,779,612)
Loss on discontinued operations, net of tax		-	(4,999)
Loss and total other comprehensive loss for the period		<u>(4,696,596)</u>	<u>(1,784,611)</u>
Loss per share attributable to the ordinary equity holders of the parent			
Continuing and discontinued operations basic (pence)	7	(18.3p)	(11.2p)
Continuing operations basic (pence)	7	(18.3p)	(11.2p)

Aggregated Micro Power Holdings plc

Condensed consolidated statement of financial position

As at 30 June 2015

		30 Jun 2015 Unaudited	30 Jun 2014 Unaudited (As restated)	31 Dec 2014 Audited
	Note	£	£	£
Non-current assets				
Property, plant and equipment	4,9	2,860,551	5,935,316	5,050,491
Total non-current assets		2,860,551	5,935,316	5,050,491
Current assets				
Inventories		15,992	50,584	347,543
Trade and other receivables		1,548,760	681,031	1,397,249
Cash and cash equivalents		1,835,517	166,544	4,727,078
Total current assets		3,400,269	898,159	6,471,870
Total assets		6,260,820	6,833,475	11,522,361
Current liabilities				
Trade and other payables	5	432,981	997,912	828,766
Loans and borrowings	5	6,800	569,857	173,874
Total current liabilities		439,781	1,567,769	1,002,640
Non-current liabilities				
Loans and borrowings	5	757,231	893,006	759,317
Deferred contingent consideration	8,11	1,873,810	1,191,342	1,873,810
Total non-current liabilities		2,631,041	2,084,348	2,633,127
Total liabilities		3,070,822	3,652,117	3,635,767
Net assets		3,189,998	3,181,358	7,886,594
Equity attributable to equity holders of the company				
Paid up share capital	6	128,473	80,973	128,473
Share premium	6	9,484,658	5,152,475	9,484,658
Merger reserve	6	6,648,126	7,103,105	6,648,126
Other reserves	6	4,546,180	-	4,546,180
Retained deficit		(17,617,439)	(9,155,195)	(12,920,843)
Total equity		3,189,998	3,181,358	7,886,594

The financial statements were approved by the Directors on 29/09/15 and signed on their behalf by:

Richard Burrell, Chief Executive Officer

Aggregated Micro Power Holdings plc

Interim condensed consolidated statement of changes in equity

As at 30 June 2015

Six month ended 30 June 2014	Share capital £	Share premium £	Retained deficit £	Merger reserve £	Other reserves £	Total £
Equity as at 1 January 2014 as previously stated	77,687	4,496,412	(7,484,189)	7,897,333	-	4,987,243
Prior year adjustment (Note 9)	-	-	113,605	-	-	113,605
Restated equity as at 1 January 2014	77,687	4,496,412	(7,370,584)	7,897,333	-	5,100,848
Issue of share capital	3,286	656,063	-	-	-	659,349
Total comprehensive loss for the period	-	-	(1,784,611)	-	-	(1,784,611)
Merger reserve	-	-	-	(794,228)	-	(794,228)
Equity as at 30 June 2014	80,973	5,152,475	(9,155,195)	7,103,105	-	3,181,358
Issue of share capital	47,500	4,603,885	-	-	4,848,615	9,500,000
Loss for the period	-	-	(3,765,648)	-	-	(3,765,648)
Share issue cost	-	(271,702)	-	-	(302,435)	(574,137)
Merger reserve	-	-	-	(454,979)	-	(454,979)
Equity as at 31 December 2014	128,473	9,484,658	(12,920,843)	6,648,126	4,546,180	7,886,594
Equity as at 1 January 2015	128,473	9,484,658	(12,920,843)	6,648,126	4,546,180	7,886,594
Total comprehensive loss for the period	-	-	(4,696,596)	-	-	(4,696,596)
Equity as at 30 June 2015	128,473	9,484,658	(17,617,439)	6,648,126	4,546,180	3,189,998

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.

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Consolidated statement of cash flows

For the six months ended 30 June 2015

	Six months ended 30 Jun 2015 Unaudited £	Six months ended 30 Jun 2014 (As restated) Unaudited £
Operating activities		
Loss for the period before tax	(4,696,596)	(1,784,611)
Adjustments for:		
Interest Income	(17,800)	-
Tax credit received	-	(54,148)
Impairment loss	2,792,005	-
Fair value adjustment on financial liabilities at fair value through profit and loss	-	397,114
Gain on disposal of subsidiary		(6,699)
Profit on disposal of FA	(1,013)	-
Interest expense	32,797	56,410
Depreciation of property, plant and equipment	125,619	30,329
	<u>(1,764,988)</u>	<u>(1,361,605)</u>
Movement in foreign exchange	275	18
(Increase)/decrease in inventories	331,551	(38,281)
(Increase)/decrease in trade and other receivables	(491,847)	(203,958)
Increase/(decrease) in trade and other payables	(395,785)	510,377
	<u>(555,806)</u>	<u>268,156</u>
Cash generated from operations	<u>(2,320,794)</u>	<u>(1,093,449)</u>
Income taxes (paid)/Subsidy received	439,322	54,148
Net cash flows from operating activities	<u>(1,881,472)</u>	<u>(1,039,301)</u>
Investing activities		
Purchase of property, plant and equipment	(826,671)	(600,827)
Proceeds from sale of subsidiary	-	508,458
Bank Interest received	18,536	-
Net cash used in investing activities	<u>(808,135)</u>	<u>(92,369)</u>
Financing activities		
Proceeds from issue of shares	-	659,349
Proceeds from borrowings	-	548,241
Payments of borrowings	-	(245,989)
Payments of interest on borrowings	(198,554)	(2,090)
Payments of finance lease	(3,400)	(3,400)
Net cash used in financing activities	<u>(201,954)</u>	<u>956,111</u>
Net decrease in cash and cash equivalents	(2,891,561)	(175,559)

Aggregated Micro Power Holdings plc

Cash and cash equivalents at beginning of period	4,727,078	342,103
Cash and cash equivalents at end of period	1,835,517	166,544

Notes to condensed consolidated financial statements

For the six months ended 30 June 2015

1. Basis of preparation

The financial information in these interim results is that of the holding company and all of its subsidiaries (the Group). It has been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards as adopted for use in the EU (IFRSs). The accounting policies applied by the Group in this financial information are the same as those applied by the Group in its financial statements for the year ended 31 December 2014 and which will form the basis of the 2015 financial statements.

A number of new and amended standards have become effective for periods beginning on 1 January 2015; however none of these is expected to materially affect the Group.

The Group's results are currently not materially affected by seasonal variations.

The comparative financial information presented herein for the year ended 31 December 2014 does not constitute full statutory accounts for that period. The Group's annual report and accounts for the year ended 31 December 2014 have been delivered to the Registrar of Companies. The Group's independent auditor's report on those statutory accounts was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The financial information for the half-years ended 30 June 2014 and 30 June 2015 is unaudited.

2. Use of estimates and judgements

There have been no material revisions to the nature and amount of changes in estimates of amounts reported in the annual financial statements 2014.

3. Segmental information

The Group operates in one business and geographic segment, being renewable energy projects in the United Kingdom only.

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Notes to condensed consolidated financial statements (continued) For the six months ended 30 June 2015

4. Property, plant and equipment (restated, note 9)

	Assets Under Construction £	Plant & Machinery £	Computer Equipment £	Motor Cars £	Total £
Cost					
As at 1 January 2014 (note 9)	5,489,218	334,742	2,217	39,841	5,866,018
Additions for 2014	2,059,172	10,560	903	38,000	2,108,635
Disposals for 2014	(17,923)	(594,216)	-	(43,174)	(655,313)
Impairment	(2,224,661)	-	-	-	(2,224,661)
Transfer	(399,757)	396,424	-	3,333	-
As at 31 December 2014	4,906,049	147,510	3,120	38,000	5,094,679
Additions for the period	825,161	-	1,510	-	826,671
Disposals for the period	-	(98,987)	-	-	(98,987)
Impairment	-	(2,792,005)	-	-	(2,792,005)
Transfer	(4,795,479)	4,795,479	-	-	-
As at 30 June 2015	935,731	2,051,997	4,630	38,000	3,030,358
Depreciation					
As at 1 January 2014	-	20,557	1,500	11,384	33,441
Charge for the year 2014	-	16,935	485	11,931	29,351
Disposal for the period	-	(2,257)	-	(16,347)	(18,604)
As at 31 December 2014	-	35,235	1,985	6,968	44,188
Charge for the period	-	121,443	377	3,799	125,619
Disposals for the period	-	-	-	-	-
As at 30 June 2015	-	156,678	2,362	10,767	169,807
Net book value					
As at 1 January 2014	5,489,218	314,185	717	28,457	5,832,577
As at 31 December 2014	4,906,049	112,275	1,135	31,032	5,050,491
As at 30 June 2015	935,731	1,895,319	2,268	27,233	2,860,551

Impairment of Low Plains

The revised carrying value of Low Plains is based on the differential in value between the expected refurbished value of the plant using new Spanner in line systems and the expected cost of the refurbishment. The refurbished value is calculated at £7,525,345 based on a 10% discount rate of expected future earnings and the cost of the refurbishment is estimated at £5,004,225, resulting in a revised carrying value of £2,521,120. The implied impairment is £2,792,005 being the difference between the current net book value (£5,313,125) and the revised carrying value (£2,521,120).

Low Plains has been depreciated on a straight line basis since January 2015 over an assumed useful economic life of 20 years in line with the duration of the RHI subsidy. Low Plains received RHI accreditation on the 28 January 2015.

Aggregated Micro Power Holdings plc

Notes to condensed consolidated financial statements (continued)

For the six months ended 30 June 2015

5. Financial instruments

	Financial liabilities measured at amortised costs		Financial liabilities at fair value through profit and loss	
	Jun 2015 £	Dec 2014 £	Jun 2015 £	Dec 2014 £
Current financial liabilities				
Trade payables	257,692	546,630	-	-
Other payables	175,289	217,511	-	-
Interest payable	-	165,758	-	-
Obligations under finance lease	6,800	8,116	-	-
	<u>439,781</u>	<u>938,015</u>		
Non-current financial liabilities				
Deferred contingent consideration	-	-	1,873,810	1,873,810
Obligations under finance lease	17,000	19,086	-	-
Loans	740,231	740,231	-	-
	<u>757,231</u>	<u>759,317</u>	<u>1,873,810</u>	<u>1,873,810</u>

6. Share capital

	No of shares Nos.	Issued capital £
Ordinary shares of £0.005 each		
As at 30 June 2014	16,194,502	80,973
As at 31 December 2014	25,694,502	128,473
As at 30 June 2015	<u>25,694,502</u>	<u>128,473</u>

Aggregated Micro Power Holdings plc

Notes to condensed consolidated financial statements (continued)

For the six months ended 30 June 2015

7. Loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year:

	Six months ended 30 Jun 2015 Unaudited £	Six months ended 30 Jun 2014 Unaudited £
Loss attributable to equity holders of the Company	(4,696,596)	(1,784,611)
Weighted average number of shares	25,694,502	15,906,055
Continuing and discontinued operations basic (pence)	(18.3p)	(11.2p)
Continuing operations basic (pence)	(18.3p)	(11.2p)

8. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial or operational decisions.

The Directors and senior management of the Company and the subsidiaries within the Group who meet the definition of "Key Management personnel" under IAS 24 are considered to be related parties.

Richard Burrell, Chief Executive Officer of the Group, has a significant interest in Mathieson Capital Investment Management Limited to which the Group paid consultancy fees of £51,250 (2014: £100,000). The Group also paid £18,000 (2014: £36,000) rent for its office in Tattenhall Chester to Mathieson Capital Investment Management Limited.

Neil Eckert who was a Director throughout the period has an outstanding loan to the Company of £740,231 (December 2014: £740,231) and accrued interest of nil (December 2014: £165,758) as at 30 June 2015. For the period of 6 months to June, £31,568 (2014: £36,791) was recognised as the interest charge for this loan.

The group has a deferred contingent consideration agreement in place with Neil Eckert and Mathieson Capital LLP's (an entity controlled by Richard Burrell). The derived contingent value of all 3,999,999 options has been calculated at £1,873,810 (on December 2014), of which £1,249,207 is allocated to Neil Eckert and £624,603 to Mathieson Capital LLP.

Aggregated Micro Power Holdings plc

Notes to condensed consolidated financial statements (continued)

For the six months ended 30 June 2015

9. Prior year restatements

The financial statements have been adjusted to account for the expected repayment of £609,960 stolen from the Company by a former employee who has since been dismissed for gross misconduct. The theft related to forged wood fuel invoices at Low Plains for the period beginning February 2012 and ending in March 2015. The former employee has undertaken to repay the monies in full and the Group has been provided with a legal charge over sufficient assets to ensure full repayment. This matter is isolated to a single employee and does not affect any customers or suppliers.

The Directors anticipate a full cash repayment of £609,960 to the Group during 2015 and have made the following adjustments to financial statements.

Full year 2012

Expenses have been reduced in the consolidated statement of comprehensive income by £113,605 resulting in a commensurate reduction in carried forward losses. The Group have recognised a receivable of £136,326 against the former employee and a VAT liability of £22,721 in the consolidated statement of financial position.

Full year 2013

During the year the majority of wood fuel costs at Low Plains were capitalised as an asset under construction. Fixed assets have been reduced by £178,531 and the Group have recognised a receivable of £214,237 against the former employee and a VAT liability of £35,706 resulting in no net change to the previously reported balance sheet position apart from the adjustment noted above re 2012.

Half Year to June 2014

During the half year to June 2014 all wood fuel costs at Low Plains were again capitalised as an asset under construction. To adjust for the fraud the fixed assets have been reduced by £118,899 and the Group have recognised a receivable of £142,679 against the former employee and a VAT liability of £23,780 resulting in no net change to the balance sheet position.

Although the 2014 (Jul to Dec) and 2015 figures are not restated we have included the impact of the fraud here for completeness.

The capitalisation of wood fuel costs continued until the end of 2014. To adjust for the fraud between July and December 2014, the fixed assets have been reduced by £77,286 and the Group have recognised a receivable of £92,743 against the former employee and a VAT liability of £15,457 resulting in no net change to the balance sheet position.

The remaining adjustments are made in 2015, comprising of a £19,979 reduction in the cost of sales, a receivable of £23,975 against the former employee and a VAT liability of £3,996. These 2015 adjustments do not require a restatement of prior year results but have been included for completeness. Further details on the restatements can be found in the Group 2014 audited accounts which are publically available.

Aggregated Micro Power Holdings plc

Notes to condensed consolidated financial statements (continued)

For the six months ended 30 June 2015

10. Events after the reporting period

- Option Arrangement with the sellers of Forest Fuels Holdings Ltd (“Forest Fuels”) to acquire 100% of Forest Fuels by 31 December 2015, on terms that have been substantially agreed, which include the issue of 200,000 AMP Ordinary Shares, £3.0m in cash and following certain performance criteria being met, a further 2.5m new Ordinary Shares in due course. If the option is not exercised by AMP by 31 December 2015, the sellers of Forest Fuels shall be entitled to subscribe for in aggregate, 200,000 AMP Ordinary Shares at nominal value.
- In negotiations for £37m of project finance to fund the acquisition of Forest Fuels, the refurbishment of Low Plains and the construction of Hill Barton and Kingsnorth. These negotiations are subject to the outcome of the Government Spending Review in November.

11. Deferred contingent consideration and employee options

The final terms of the deferred consideration, which relates to the Group’s acquisition of AMP Energy Services Limited (formerly Environova Consulting Limited) and Mathieson Biomass Limited, were amended and agreed on the 25 June 2014 (“Valuation Date”). The deferred consideration is subject to performance criteria linked to Total Shareholder Returns (“TSR”) over the period 30 June 2014 through to 31 December 2017 (“Performance Period”).

A Black-Scholes Option Pricing model was used to determine the fair value of the deferred consideration while preparing the 2014 audited financials. The derived contingent value of all 3,999,999 options was calculated to be 1,873,810, allocated £1,249,207 to Neil Eckert and £624,603 to Mathieson Capital LLP. The directors believe that this still represents a fair value of the options given that they remain out of the money and that there has been little in the way of share price volatility during the period; and, hence the options remain in the balance sheet at £1,873,810. Further details on the options can be found on the Group 2014 audited accounts which are publically available.