

Plutus Powergen PLC

Company Registration No. 05859612



**Annual Report and Financial Statements**

**30 April 2019**

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## **Company Information**

COMPANY REGISTRATION NUMBER  
05859612 (England and Wales)

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James Longley  
Tim Cottier  
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COMPANY SECRETARY  
James Longley

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Plutus PowerGen (PPG) is an AIM quoted power company focused on the development, construction and operation of flexible power generation and gas peaking facilities in the UK.

**Our business model seeks to mitigate the current and forecast risk of an energy deficit through the development, construction and operation of a portfolio of 20MW FlexGen and gas power generation sites, which can be switched on at short notice at times of peak demand and can also be run, in the case of gas sites, for merchant sales.**

## 2019 Highlights

This year, we have been concentrating on the operations of our 120MW of FlexGen sites and seeking finance for our planned portfolio of gas peakers.

- **Continued focus on the operation of flexible power generation facilities in the UK to mitigate the current and forecast risk of an energy deficit**
- **All six sites hit the TRIADs available to them and generated cash which was largely applied to adjusting emissions from the generators to comply with the medium combustion plant directive ('MCPD')**
- **Appointed DWPF Ltd ("DWPF") as formal intermediary to assist in securing the equity portion within Special Project Vehicles ("SPVs") for the contemplated gas site portfolio**
- **Gas site being developed with Rockpool to be held in the last three co-investee companies**
- **Post year end, a Collaboration Agreement has been signed with an infrastructure fund in the energy generation space whereby investment in projects will be assessed on a case by case basis for an initial 80MW**
- **The European Commission has recently approved Britain's Capacity Market scheme following an in-depth investigation into its state aid compliance which is good news for us and the whole industry**

## Chairman's Statement

Year to 30 April 2019

The past year has been challenging in many ways, notwithstanding the continued operating success, despite the tougher climate for FlexGen in the UK and for our 120MW of FlexGen sites co-owned with Rockpool Investments LLP ("Rockpool"). We are frustrated on an ongoing basis by inconsistent inter departmental government policies including BEIS (The Department for Business, Energy and Industrial Strategy) and DEFRA; judicial reviews and ongoing Ofgem industry reviews and what appears to be no coherent or cohesive energy policy in the UK. The Capacity Mechanism was, until 24 October 2019, in abeyance in the UK despite the government's continued belief that the Capacity Market ('CM') is the right mechanism for delivering security of supply at the lowest cost to the consumer.

I am pleased to report however that, post the year end on 24 October 2019, The European Commission ("EC") has finally approved Britain's CM scheme following an in-depth investigation into its state aid compliance. The mechanism was suspended last year following a landmark ruling, which found that the EC had erred on procedural grounds in granting state aid approval back in July 2014. The industry expects that the Capacity Market will be reinstated shortly, with outstanding payments held back by the scheme's suspension now free to be paid in full. Attention will now immediately turn to forthcoming auctions. Three are scheduled to take place between late January and early March 2020. The Capacity Market is, however, not quite out of the woods yet. While it may now be a formality, it is still the subject of a High Court hearing in November after Tempus Energy escalated its case against the Department for Business, Energy and Industrial Strategy back in March 2019.

The energy mix is changing rapidly in the UK, with an increasing amount of intermittent energy coming online. Additionally, the government continues to be obstructing its efforts to fund the building of nuclear power stations and it is highly unlikely the ageing UK portfolio will be renewed in time. There still exists some legacy coal fired power stations, which will close as soon as the capacity in the UK is sufficient to meet demand at all times. There is a large portfolio of gas fired power stations in the UK, small amounts of hydroelectric, battery and other storage and back-up power and there are inter-connectors with Europe; I wonder where we will be with the latter when or if the UK finally leaves the EU.

The power industry increasingly needs back up at peak times, given the UK power generation mix and factors outlined above together with which we continue to be frustrated at the local planning level for our policy of developing gas "peakers". Is it better to have brownouts or blackouts in the UK which is not necessarily taken into consideration in the grander scale of energy needs in the UK at the local level? In November 2018, BEIS and Ofgem launched a joint review to investigate what policy, legal and regulatory changes might be needed to ensure that the energy retail market is fit for the future; we look forward to the publication of this review, which we hope will be positive for our industry.

OFGEM said recently in its Smart Systems and Flexibility Plan progress update, 'Flexibility is increasingly central to this transforming system. Technologies and applications such as storage and demand response can help balance generation with demand and provide essential services to the grid. This can facilitate the deployment of weather-dependent renewables such as solar and wind, whilst enabling greater uptake of new types of demand such as electric transport.'

### External factors affecting our business

I thought it would be useful for the understanding of our shareholders to outline what has affected our sector and consequently our business in the past few years so I am quoting extracts from our previous annual reports and accounts, with comments on each, to demonstrate that almost every part of our industry has been undermined in some way by various governmental policies and that this is the difficult climate in which we have been forced to operate despite the efforts of the directors of Plutus.

- 1) In 2014, Capacity Mechanism was introduced which was a new market and not one we had planned for when we initially decided to enter the FlexGen market, where the company is able to compete in the annual capacity auction to receive 15-year contracts for the construction of new generation capacity. In its first two years, this auction cleared at an average of circa £20,000 per MW for our sites for payment commencing 4 years from award. These payments are index-linked from award. We have been successful in securing some valuable CM contracts for our six FlexGen sites at an average of around £20,000 per MW per annum.

- *We were delighted by this at the time as this had not been in our original plans but without it now, considering the other negative factors detailed below which have adversely affected our industry, no capacity would be built in our sector.*
- 2) In October 2015, the UK Government announced at a Public Bill Committee which outlines amendments to the Enterprise Investment Scheme ('EIS') funding to exclude activities that involve the provision of reserve power capacity and generation, for example under a Capacity Market agreement or Short Term Operating Reserve contract. The UK Government noted that such activities are generally asset-backed and benefit from a guaranteed income stream and mainstream financing, which removes the need for tax-advantaged investment. This change will apply to investments made on or after 30 November 2015.
    - *This has meant that our planned initial ten 20MW EIS funded sites with Rockpool had to be curtailed to nine sites with no prospect of partnering with them for further sites which had been part of our plans.*
  - 3) In March 2016, the UK Government consulted on reforms to the Capacity Market ("CM") including a set of questions on a proposal to avoid over-compensation in connection with certain risk finance schemes i.e. EIS schemes from which the nine operating companies benefitted. To ensure the amount of aid under the CM is limited to the minimum needed and that there is no cumulation or over-compensation, the total amount of aid (i.e. the total aid received under the risk finance schemes e.g. EIS and the total aid received under the CM) should not exceed the amount awarded in the CM auction. Therefore, the amount of EIS relief granted to investors should be offset against our CM receipts.
    - *Clearly the UK Government was unable to differentiate between the shareholders of the business and the company itself operating the businesses funded by EIS investors, the latter having to pay for the tax benefit of the former via deductions from CM payments which have now been suspended in any event. The investee companies took such necessary actions that were possible to mitigate this adverse financial affect to the nine companies.*
  - 4) In April 2016, we responded to a Department of Environment and Climate Change ("DECC") consultation on reforms to the Capacity Market, in which it confirmed that The Office of Gas and Electricity Markets ("Ofgem") had been asked to review network charging rules and their impact on embedded generation. DECC suggested that current charging arrangements could be providing undue reward to distribution-connected generators. The regulator was scheduled to report back with a proposed way forward. Separately, National Grid was undertaking its own review into embedded benefits, and the Department for Environment, Food and Rural Affairs ("Defra") was reviewing emissions as part of the UK's adoption of the Medium Combustion Plant Directive (MCPD).
    - *Please see below for the negative effects of the results of the reviews, both of which negatively affect our industry sector substantially.*
  - 5) In March 2017, Ofgem published a 'minded to' decision, which it confirmed. From the winter of 2020/21, this would reduce the embedded benefits received by distribution connected generators such as PPG to the residual charge. While this change settles down, there is concern among industry participants that price volatility will increase, which in turn will lead to higher energy prices. Additionally, third party analysis indicates that generators generating for the TRIAD market have acted to depress volatility over the winter –or peak demand – months. Consequently, the 2017 TRIAD "season" (from 1 November to 28 February each year) was the last 100% TRIAD and this falls to 66% in winter 2018 and 33% in winter 2019. However, there are still monies to be received from "locational payments" and as we are located, and intend to locate, in the best and highest yielding locations, we expect to receive around 20% of the original TRIAD.
    - *By abolishing the way by which the grid was paid for decades for the use of its network via TRIADs, this removed the single biggest income source for the operating companies. We were pleased that, before it was suspended, at least we had Capacity Market income on a T+1 and a T+4 basis. We also hoped that other markets such as FR, FFR and STOR would firm.*
  - 6) The outcome of DEFRA's consultation on lower emissions limits was delayed by the June 2017 general election until the third quarter of that year, where we are able to comply with the proposed new rules from cash generated from operations. The outcome in relation to the transposition into UK law of the Medium Combustion Plant Directive (MCPD) will require us to fit selective catalytic reduction (SCR) or other measures to reduce the NOx from our FlexGen portfolio

- *The result of the review has cost between £300,000 to £500,000 per site, which will mean that we are unable to pay down any debt in the past year from the declining TRIAD income.*

7) On 15 November 2018, the General Court of the European Union issued a judgment on Case 793/14 *Tempus Energy Ltd and Tempus Energy Technology V Commission*, funded by Greenpeace, annulling the Commission's original State aid decision to approve a capacity mechanisms scheme for Great Britain. The General Court ruled that the Commission should have initiated the formal investigation procedure before adopting a decision. This judgment renders aid granted through the scheme unlawful. As a result, the UK Government decided to suspend the capacity market, meaning that it will not grant new associated subsidies until it is newly decided if they are compliant with EU law. However, in December 2018, the UK Government confirmed that it will operate the capacity market as normal, but without payments being made to agreement holders. The UK Government also confirmed that it intended to hold a replacement T-1 auction for the delivery year 2019/2020, which would be held by rearranging the postponed T-1 auction that had been scheduled for January 2019. In the meantime, the Commission lodged an appeal against the General Court's judgment before the Court of Justice on 25 January 2019. It also initiated the formal investigation on 21 February 2019 in order to adopt a new decision. BEIS said, "We will robustly defend this challenge. We continue to believe in the Capacity Market as a mechanism for guaranteeing security of supply...We welcome the Commission appealing the Court's judgment – an appeal in which the UK is intervening to support the Commission." The date for the hearing has been arranged for 12-15 November 2019.

- *Therefore, until the recent EC approval of the UK's CM scheme, we would not have been expecting to receive T+4 capacity payments due to Attune Energy this coming year or any other T+1 payment. This has reduced our ability to sell the sites which had been the original intention. It has had an adverse effect on our market for obtaining funding and refinancing. It is not as relevant to the gas peaker sites but has made everything in our sector more difficult.*

In addition, post year end, on 22 July 2019, BEIS announced a consultation on Proposals for Capacity Market emissions limits in order to implement the Clean Energy Package provisions in respect of limits on carbon dioxide emissions from refurbishing and existing generation (likely to be coal, diesel and inefficient gas) to ensure any such generating capacity that does not meet the emissions limits shall not, from 1 July 2025, receive any capacity payments. The consultation will be open until 6 September 2019. We look forward to a reasonable and positive outcome from this consultation.

Essentially, if you take all of these items above into account, just about every major revenue stream for the Plutus investee companies has been adversely affected. Whilst this does not affect our results as our sites are held as investments, it is extremely frustrating for shareholders and directors alike. A combination of the various reviews and ongoing industry reviews has led to material uncertainties in the market. Against this background, we are pleased to have found an infrastructure fund investment partner that will fund us on a case by case basis for gas peaker sites.

## Key areas of focus

We currently have investments in six 20MW FlexGen sites successfully operating with our investment partner, Rockpool. As announced on 29 August 2019 the Company received notice on 27 August 2019 of termination from the non-executive directors of Rockpool that its management of these six sites is to be terminated on a six month notice period. All six sites hit the TRIADs available to them during the winter period and the revenue from that alone, of around £3 million, will be used to pay down construction debt and ultimately enhance the value attributable to shareholders when the sites are eventually sold. Each site has had to spend a considerable amount of money to lower its emissions so that they may operate successfully within the new emissions policies. Our primary operational focus has therefore been on the continued operation of these six sites in which we have an economic interest of circa 44.5% each and will continue to be until the third week of February 2020 and on an ongoing basis for Attune Energy Limited (Plymouth) as detailed in the Chief Executive's review below. This coming winter, following OFGEM's review of TRIADs, we expect to achieve 33% of the original income from TRIADs, essentially 50% lower than last year, into each investment.-This is assuming we hit all the TRIADs, which will again be applied to paying down the development debt of each company. Each investee Company will also continue to generate revenue from the sale of electrons, and income from bidding for FFR (Firm Frequency Response) or FR (Fast Response).

If alternative performance measures were used and included our share of the nine companies co-owned with Rockpool, our unaudited net assets from the operating companies alone would be at least £7.7m greater than disclosed in the balance sheet. Our share of the profit from the six operating sites, would have added £2.78m to our turnover and

£835,000 EBITDA to our income statement.

Plutus is continuing to concentrate on obtaining funding for our intended portfolio of gas fuelled power generation sites, “gas peakers” that will only operate in peak hours generally for between 1500 to 2500 hours per year when it is profitable to do so. The management team has been working to develop and progress a pipeline of gas-powered sites in which we intend to hold a majority stake, and therefore be permitted to consolidate the income statement and balance sheet into our accounts, providing more visibility at Group level of our operations.

## Strategy and financing

In late August 2019, post year end, we were pleased to announce a Collaboration Agreement had been signed with an FCA regulated and accredited investment adviser whose leadership team has a strong track record in sizeable civil project funding in the energy generation space and has recognised the potential of the Plutus portfolio, understands the current UK power dynamics and the need for UK peaker sites. Plutus has agreed to give the counterparty to the Collaboration Agreement a first right of refusal on the funding for both its proposed as well as its contemplated gas site portfolio on an ongoing basis. The new funding for the peaker gas sites will be provided on a site-by-site basis and is subject, inter alia, to completion of full due diligence and investment committee approval. Plutus and the counterparty intend to work together to initially develop and fund a pipeline of four identified projects totalling c.80MW and the counterparty has been granted exclusivity over these projects until 31 December 2019. The counterparty and Plutus intend to agree heads of terms for each project.

The role of Plutus in the development of these projects is expected to cover Plutus being responsible for: (i) continuing the development and evaluation of these sites in respect of planning, other consents and power and gas connections; (ii) inputting into the technical solution at each site, assembling appropriate professional teams and developing draft contractual documentation with key counterparties; and (iii) developing a standard project operating contract under which Plutus will subcontract certain key services in respect of merchant trading and plant maintenance.

The gas site portfolio will run Merchant, i.e. within day, day ahead and balancing mechanism markets. Moreover, the Company is in talks regarding support of asset financing to complement equity funding.

Cash at 30 April 2019 was £45,177 and the Group is currently owed to 31 October 2019, through its subsidiary Plutus Energy Limited, £625,000 in accrued and deferred fees from the Group’s six co-invested companies. The Company’s current cash resources remain limited and the working capital position of the Group remains constrained. As announced on 30 May 2019 the directors remain confident that they have sufficient resources under the current cash burn to implement their current plans and are implementing a cost control strategy including not drawing salaries. Further details on the Group’s financial position is outlined in the Financial Review section below.

## Dividend

We do not propose to pay a dividend for the foreseeable future.

## Outlook

I would like to thank our staff and Directors for their valued efforts, as well as our partners and advisors who provide their expert support assisting our operations. We are making good progress with financing, as reported above, and we look forward to securing sufficient finance to commence building up our gas sites with our infrastructure funding partner. We look forward, against an uncertain industry back drop, to a solid future once we have been able to sell our FlexGen assets and secure the finance for our planned gas peaker portfolio.

Charles Tatnall  
Executive Chairman  
31 October 2019

# Strategic Report

## Chief Executive's Review

### Operations

The year ended 30 April 2019 has again been a challenging one, however all our investments have operated successfully and profitably in the year under review albeit at a reduced level of profit due to TRIADs being restricted to 66% of their original level. There were also less spikes in the market to take advantage of due to a mild winter and consequently lower demand at peak periods. If non-IFRS alternative reporting measures were applied, our share of the profit from the six operating sites would have added £2.78m to our turnover and £835,000 EBITDA to our income statement, under the same measures.

We were pleased to report that all six of our 20MW operating sites were called upon and utilised on Friday 9 August 2019 in response to the outages of two power stations on that day. The Company's sites are automatically turned on when the grid frequency drops below a certain level under the Firm Frequency Response Scheme ('FFR'), under which the Company receives payment in return for its availability. We continue to believe that with the squeeze in overall capacity in peak periods together with the growing percentage of intermittent power in the UK power generation mix, such occasions will become more frequent, particularly on winter evenings and when turbine energy is not being generated.

In a public statement, the UK National Grid has said it will "learn the lessons" after nearly one million people across England and Wales lost power on Friday 9 August. Subsequent to the power outage, Business Secretary, Andrea Leadsom MP, has requested that the Energy and Emergencies Executive Committee undertake an investigation aimed at assessing whether National Grid's procedures are "fit for purpose". Additionally, the regulator Ofgem has demanded an "urgent detailed report" into the events and failures that led to the power outage. The impact of Friday's power outage was widespread, and the impact included hospitals; for example, a back-up generator at Ipswich Hospital, which was supposed to supply power to outpatient areas, did not work as expected. Around 300,000 UK Power Networks customers were affected in London and the South-East while Western Power Distribution said around 500,000 people were affected in the Midlands, South-West and Wales; other regions across the UK were also affected.

On 3 September 2019, post year end, the application for planning permission for the development of a double gas-powered site in the South West of England was rejected by East Devon District Council on the grounds of perceived poor air quality as follows:

The Council hereby refuses permission to carry out the development described in the application and the plans attached thereto for the following reasons:

1. The proposed development does not represent a renewable or low carbon energy project and is located within the countryside. As such, and given that any benefits from the proposal are outweighed by the harm created through development in the countryside of a power generator reliant upon fossil fuels at a time when there is a need to lower carbon emissions and move towards renewable sources of energy, the application is contrary to adopted Local Plan Strategies 1, 3, 5, 7, and 39, adopted Local Plan Policies D1 and EN13, and guidance within the NPPF.
2. The proposed development, by reason of the potential for pollution of the atmosphere, fails to satisfactorily demonstrate that it will not result in an unacceptable impact upon nearby residents or the wider environment. As such, the proposal is contrary to Policy EN14 of the adopted East Devon Local Plan 2013-2031.

This was a major disappointment for Plutus. I also detail below the report that our planning consultant, Alan Hannify of Union4planning sent to us following the planning rejection.

"The application went to yesterday's Committee with a recommendation for approval. There were no objections from any of the officers within the Council or other consultees. However, there were objections from members of the public and the Parish Council and it would appear that opposition to the application grew over the past week. The Committee meeting was scheduled for 10am and it was evident from 9:15am onwards that there would be large turnout at the Council building. The Council chamber was full, with some of the crowd having to stand or view proceedings from the gallery. The application was presented by the Development Manager, Chris Rose. I thought he did well in explaining the merits of the proposal, the rationale for the technology and the reasons for officers making a positive recommendation.

Chris Rose's presentation was followed by four speakers who were registered as objectors to the application. The speakers were Dan Seale, Michael Best, David Whitton and Jim Haywood who is a Professor of Atmospheric Science at the University of Exeter. Professor Haywood was not registered on the speaker list published on the Council's website on Monday, but my understanding is that he spoke on behalf of Janice Owen. Each of the objectors focused on a particular theme – the impact of the proposal on the move to a low carbon economy; the differing mechanisms that exist within the STOR and Capacity Markets; noise impacts; and air quality impacts. The aforementioned objectors were followed by Richard Ball from the Parish Council who reiterated the Parish Council's objections and raised a series of other points which they had not set out in their consultation response to the Council. There were a number of points made by the objectors that I would consider to be factually incorrect. For instance, it was stated that the installation would operate for over 15 hours per day and that this would mean that it would be operational for 5,500 hours per year. Professor Haywood claimed that the Air Quality Assessment only considered areas within 1km of the site. However, the Air Quality Assessment was based on modelling over a distance of approximately 4km.

I then had an opportunity to make my statement in support of the application and this was followed by a couple of questions from councillors. The first question sought clarification regarding the annual operating hours and the second question with regard to the 25-year lifetime of the installation. The ward councillors, Geoff Jung and Ben Ingham then spoke in opposition to the application and both cited the air quality analysis undertaken by Professor Haywood as evidence of the significant impacts that would arise as a result of the development.

The Council's legal officer advised the Committee members that the Council only received Professor Haywood's document last Friday and that the initial feedback from the Environmental Health Team was that they didn't have the requisite expertise to examine all of the information provided. On this basis, the legal officer advised that he felt it may be prudent for the Committee members to defer the application, so the additional information from Professor Haywood could be fully assessed. Notwithstanding this, the Committee members moved to vote on the application, with Councillors Paul Arnott, Paul Hayward and Eileen Wragg prominent in voicing their opposition to the proposal. The Committee members voted 10 to 3 to refuse the application, with the following reasons for refusal to be provided:

That the development is in the countryside and is contrary to Strategy 7 of the Local Plan. That the development would give rise to unacceptable levels of noise and air quality pollution and would be contrary to Policy EN14 of the Local Plan. The Council's legal officer reiterated his concern that members were making a Decision without having a full understanding of the additional information submitted, and that this was of particular concern in respect of the second reason for refusal. I have now obtained a copy of the document sent by Professor Haywood to the Council (please find attached).

In summary, it was an extremely disappointing and incredibly frustrating Committee."

The Board is extremely disappointed by this rejection and is considering all options available, including, but not limited to, an appeal. We have however decided to write off all costs associated with this application to date, around £110,000. The Board remains confident in its FlexGen strategy of bringing online further high margin gas operations and has a pipeline of other prospective peaker sites.

Post the year end, after many months of hard work and effort by the board of directors, on 29 September the Company entered into a collaboration agreement (the 'Collaboration Agreement') for the equity funding portion of its proposed initial 80MW and contemplated further portfolio of 160MW of peaker gas sites in the UK. The Collaboration Agreement has been signed with an FCA regulated and accredited investment adviser and managers of an infrastructure fund whose leadership team has a strong track record in sizeable civil project funding in the energy generation space and has recognised the potential of the Plutus portfolio, understands the current UK power dynamics and the need for UK Peaker sites. Plutus has agreed to give the counterparty to the Collaboration Agreement a first right of refusal on the funding for both its proposed as well as its contemplated gas site portfolio on an ongoing basis which currently totals 240 MW.

The Company anticipates that it will maintain a majority equity interest in its portfolio of gas-powered peaker sites, which the Board expects to be ultimately significantly larger than its interests in the current six FlexGen and one gas site portfolio which have been funded by EIS investors through Rockpool Investments LLP ("Rockpool"). The new funding for the peaker gas sites will be provided on a site-by-site basis and is subject, *inter alia*, to completion of full due diligence and investment committee approval. Plutus and the counterparty intend to work together to initially develop and fund a pipeline of four identified projects totalling c.80MW and the counterparty have been granted exclusivity over these projects until 31 December 2019. The counterparty and Plutus intend to agree heads of terms for each project.

The role of Plutus in the development of these projects is expected to cover Plutus being responsible for: (i) continuing the development and evaluation of these sites in respect of planning, other consents and power and gas connections; (ii) inputting into the technical solution at each site, assembling appropriate professional teams and developing draft contractual documentation with key counterparties; and (iii) developing a standard project operating contract under which Plutus will subcontract certain key services in respect of merchant trading and plant maintenance. The gas site portfolio will run Merchant (i.e. within day, day ahead and balancing mechanism markets) which the Company recognises as a major advancement in progressing in the energy provision space. Moreover, the Company is currently in talks regarding support of asset financing to complement equity funding where we have expressions of interest and, as such, Plutus intends to inform the market in due course of the determination of a preferred partner. The financial metrics for the gas sites are superior to that of the existing portfolio, and with an established entity who understands the demand and potential of the peaker market.

Plutus received notice on 27 August 2019 from the non-executive directors of Rockpool that its management of the existing Rockpool EIS funded sites is to be terminated, on a six-month notice period. The Board believes this will assist in accelerating the sale of the portfolio of six 20MW diesel sites, and one gas site in development, in which the Company retains a 44.5% equity stake. The Company will continue to retain the management of Attune Energy.

On 30 October 2019 the Company announced that, on 29 October 2019, Paul Lazarevic's service contract and consultancy agreement were terminated by the Company with immediate effect. Paul had been responsible for the Company's operations and was the Group's Operations Director. The Board is in discussions with prospective executive and non-executive directors to strengthen the board.

#### Share issues, brokers and NOMAD

In mid-November 2018, we raised £500,000 gross through the issue of 83,333,333 ordinary shares of 0.1 pence each ("Ordinary Shares") at an issue price of 0.6 pence per share in a placing conducted by Turner Pope Investments ("TPI") Limited. (the "Placing"). The Company also issued 18,000,000 Ordinary Shares in lieu of fees. The net proceeds of the Placing will be utilised in the development of wholly owned gas peaker sites and for general working capital purposes. The Issue Price represented a discount of 11.1 per cent. to the mid-market closing price of 0.0675 pence on 13 November 2018. Additionally, the Company is issuing 18,000,000 ordinary shares of 0.1 pence each, at the Issue Price, in lieu of fees. The New Ordinary Shares represent approximately 12.3 per cent. of the Company's issued share capital as enlarged by the New Ordinary Shares. Contemporaneously, Turner Pope Investments ("TPI") Limited was appointed as the Company's joint broker.

On 23 July 2019, post year end, the Company issued 10,909,090 new ordinary shares of 0.1p each ("Ordinary Shares") (the "Fee Conversion Shares") to certain advisers of the Company in lieu of professional services provided to the Company and 36,363,636 new ordinary shares to the convertible loan note holder in satisfaction of the outstanding £100,000 of unsecured convertible loan notes originally issued by the Company on 18 December 2014 (the "Debt Conversion Shares"), being a total of 47,272,726 shares. The Fee Conversion Shares and Debt Conversion Shares were issued at a price of 0.275p per share being the mid-market closing price on 15 July 2019. In June 2019, the directors were pleased to announce the appointment of Allenby Capital Limited as the Company's Nominated Adviser and Joint Broker.

#### Outlook

The board is concentrating on the Collaboration Agreement that has been signed with the investment adviser and managers of an infrastructure fund to finance the equity portion of an initial 80MW of gas sites; accordingly, we have already received indicative term sheets for debt funding. The board now seeks to dovetail the structure, and equity and debt funding of the gas sites working together with our infrastructure fund partner in order that we may proceed in a timely manner. Whilst there can be no guarantee, the ultimate sale of the legacy Rockpool interests will also add to our cash resources and assist in developing the plan for our gas pipeline.

James Longley  
Interim Chief Executive Officer  
31 October 2019

## Financial Review

### ***The Group is actively seeking to arrange suitable finance for the development of gas sites and is looking for an exit from its FlexGen sites***

The year ended 30 April 2019 is our fourth full year of operations in the business of the development and operation of flexible energy generation projects, which play a crucial role in the changing UK energy mix as renewable generation replaces carbon intensive generation. We have been, throughout the year, endeavouring to advance our plans for the development of our planned gas site portfolio and have received strong expressions of interest for the debt portion and we recently announced post the year end that via DWPF, our finance partner, we had agreed to collaborate with a leading infrastructure fund on the development of a portfolio of gas “peaker” sites on a site-by-site basis. Whilst our gas projects are not reliant on the Capacity Mechanism, the re-instatement by the European Commission is welcome news as it lifts a shadow over the whole industry and will relieve the market for finance for gas projects such as ours.

Until the half year ended 31 October 2018, we had nine management contracts in place with Rockpool investee companies, each generating £150,000 per annum at which time, in order to assist in relieving cash flow in the investee companies, we agreed to vary the fees received with the balance being accrued. The changes are that from 1 November 2018, Attune Energy Limited is to continue to receive its normal monthly fee of £12,500 per month plus VAT, the other five FlexGen sites are 50% of normal fees i.e. £6,250 per month each and the remaining three investee companies, which are to develop one 20MW gas site together, are to be revised to £250,000 per annum in total, 100% of which is to be accrued. We therefore have an accrual of £312,500 at the year-end in the statement of financial position.

Plutus, through its subsidiary, Plutus Energy Limited, is owed to 30 April 2019 £337,500 in accrued and deferred fees from the six co-invested companies. Plutus anticipates accruing, under the existing management agreements, a further £482,812 in management fees during the remainder of the notice period up to February 2020. The directors of Plutus are working towards the dovetailing of the end of the management contracts with the commencement of the development of the new gas Peakers portfolio. The directors had previously reported that certain management fees are being accrued due to the delay in CM payments and the temporary suspension of the CM market pending resolution of certain reviews. Accordingly, the directors have been matching these accruals with regard to their directors' fees to maintain a cash flow equilibrium and therefore the directors are confident that they have sufficient resources under the current cash burn to implement their current plans. However, to preserve cash and to err on the side of caution, the directors of Plutus have agreed not to take any fees from 1 November 2019 until such time as the six FlexGen sites are sold or the funding comes through for the gas sites and there are sufficient funds to enable the directors to be paid. The directors have undertaken an impairment review of our investments in the Rockpool co-investee companies and have decided that it would be inappropriate to impair them at this time particularly in view of the return of the Capacity Market Mechanism, discussed above. We continue to explore opportunities to maximise the value of our six FlexGen sites, with a view to an eventual sale.

The directors have performed an annual review on the goodwill created on the acquisition of Plutus Energy Limited by Plutus Powergen PLC in 2014. In previous years we have taken the forecast cashflows for the following 5 years which have always shown a profit and discounted them back. This calculation has always justified the position that the goodwill did not need to be impaired. However, following the co-investee companies giving us 6 months termination notice our projections show diminishing cash flow from Plutus Energy's current operations and therefore the goodwill needs to be written down to zero, which is a write off of £1,085,000 in the year ended 30 April 2019 (2018: Nil). Whilst we have every confidence that we can raise funds to set up new gas-powered “peaker” sites, the directors feel that it is prudent to write down the goodwill to zero this year. It is compounded by the general market given recent announcements.

In mid-November 2018, we raised £500,000 gross, for working capital purposes and to assist in the development of gas “peaker” sites, through the issue of 83,333,333 ordinary shares at an issue price of 0.6 pence per share in a placing conducted by Turner Pope Investments Limited. The Company also issued 18,000,000 Ordinary Shares in lieu of fees. On 23 July 2019, post year end, the Company issued 10,909,090 new ordinary shares of 0.1p each to certain advisers of the Company in lieu of professional services provided to the Company and 36,363,636 new ordinary shares to the convertible loan note holder in satisfaction of the outstanding £100,000 of unsecured convertible loan notes being a total of 47,272,726 shares. The Fee Conversion Shares and Debt Conversion Shares were issued at a price of 0.275p per share.

During the year under review, revenue reduced from the management contracts with the Rockpool investee companies because of the reduction in fees receivable by £75,000 as we agreed a lower amount with the final three investee companies to manage the one gas site to be built therefore turnover during the year was £1,275,000 (2018: £1,350,000). Administrative expenses have increased to £2,793,293 (2018: £1,513,022). This includes the figures for the write of goodwill detailed above of £1,085,000, together with the write off of pre-planning project expenses of £128,550 (2018: £50,153) in the year under review. The latter mostly relates to write off of the expense of developing the Woodbury gas sites as detailed in the Chief Executive Review. Taxation is £0 for the year ended 30 April 2019 (2018: Nil) and consequently the basic and diluted loss per share from continuing operations was substantially higher at 0.22p (2018: 0.08p). Share based payments were considerably lower this year due to the expensed being determined by reference to the fair value of the options granted spread over the vesting period.

Cash was £45,177 at the year-end (2018: £136,416). We are owed at the year-end £337,500 in accrued fees (£2018: nil) Our much-reduced ongoing overheads will be covered by management fees with directors taking no further salaries as discussed above. We will continue to manage cash flow, accounts receivable and accounts payable in a fair and reasonable manner within the Group resources and within our existing agreements with the co-investee companies. All efforts are concentrating on the run off of the management contracts for the operating sites and achieving funding for the gas sites.

Group net liabilities/(assets) at the year-end were £95,364 (2018: 1,013,657), due largely to the write off of the goodwill in the balance sheet attributable to the original purchase of Plutus Energy Limited in 2014 and partly due to the losses in the year, including a write off of all costs of gas sites being developed in house. The borrowings of £100,000 at the year-end were converted into ordinary shares of the Company post year end.

#### Key performance indicators

The key performance indicators are set out below:

	2018	2019	Change %
Turnover	£1,350,000	£1,275,000	-5.5%
Cash and cash equivalents	£136,416	£45,177	-68%
Closing share price	1.23p	0.34p	-72%
Earnings per share	(0.08)p	(0.22)p	-275%

#### Principal risks and uncertainties

The Board regularly reviews the risks facing the Company and seeks to exploit, avoid or mitigate those risks as appropriate.

#### Financial risk management objectives and policies

Financial risk management objectives and policies of the Company are set out in note 24 to the financial statements.

**James Longley**

Director

31 October 2019

## Principal Risks and Uncertainties

We have identified the principal risks to the Group achieving its objectives, and risk management is regularly on the agenda of the Board, Audit Committee and other senior management meetings.

Risk	Potential Impact	Mitigation
Availability of suitable sites	Our ability to build flexible power generation projects depends upon our ability to source suitable sites and to secure these on commercially attractive terms. Should there be a lack of suitable sites or the cost of running the sites be excessive, this would have a material adverse effect on our operations and financial performance.	Our relationships with land owners and developers with over 300MW of capacity under review or in progress.
Securing of planning permission	Failure to obtain permits, consents or approvals from third parties in connection with the development of stand-by power generation projects may affect our ability to complete projects. The planning process can be lengthy, and delays often occur such that the process may span several accounting periods. Accordingly, there may be delays in realising value from projects.	Our strategy to focus on sites with a maximum 20MW of generating capacity facilitates the planning permission process and limits emissions to below European thresholds. The use of green fuel and gas also eases the planning process where local authorities have policies that favour low carbon power generation.
Ability to tender and win contracts	Our success is dependent on our ability to tender for and win contracts to supply flexible power. While we believe we have a good chance of successfully tendering for such contracts, should competition in the market increase or for any other reason we be unsuccessful in winning contracts to supply flexible power, this would have a material adverse effect on operations and financial performance.	Management's track record, coupled with our success in securing contracts across diverse revenue streams, give us confidence that we will continue to be awarded contracts.

## Principle Risks and Uncertainties (Continued)

Volatility of electricity prices	<p>Our activities and the viability of future energy generation projects are subject to changes in demand and prices for power. Energy prices fluctuate widely, influenced by diverse factors including supply and demand, political and economic conditions, speculative activities, expectations of inflation, interest rates and currency exchange rates.</p>	<p>Margins are sufficiently attractive to allow us to be able to withstand a certain degree of price fluctuations, and our different revenue streams and contracts also serve to mitigate this risk. The shift towards rewarding capacity rather than simply energy – evidenced in the Capacity Market, with its 15-year contracts – also cushions us from energy price fluctuations.</p>
	<p>A significant reduction in global demand for power, leading to a fall in prices, could lead to abandonment of one or more of our projects, should these prove uneconomical to operate, and impact the profitability of existing sites.</p>	<p>Volatility presents opportunities for us to capitalise on high energy prices.</p>
Political risk	<p>The flexible and gas peaker power generation sector is subject to national and regional regulatory oversight, spanning building codes, safety, environmental protection, utility interconnection and metering, and other matters relating to embedded generation. Changes in Government policy could affect the return on investment and may result in changes in tax rates or reliefs.</p>	<p>The underlying need for flexible stand-by generation is growing, and policymakers are thought to recognise that such assets will have to be rewarded in one way or another in order to maintain security of supply. Ofgem have commenced reducing Triad benefit received by small embedded generators to the residual, around 20% of the original for our locations, from last winter. This winter we receive 66%, the following year 33% and thereafter the residual. The multiple revenue streams of each site mean that financial returns, even with reduced Triad, will remain attractive.</p>
Ability to raise further funds	<p>Our business model depends on our ability to raise debt and/or equity funding for the entities we create for stand-by generation projects. There can be no guarantee that we will be able to raise funds on terms that are commercially viable in the context of our business model.</p>	<p>The attractive financial characteristics of our projects underpin our success to date in raising funds: Each 20MW gas project requires capex of circa £12.5m, and will be placed in a newly formed company. We will likely fund each site with a mixture of equity, mezzanine and debt. Each site will pay a monthly management fee to PPG.</p>

## Directors

### CHARLES TATNALL

#### **Executive Chairman**

Charles Tatnall is primarily involved in advising and raising funds for small and medium sized enterprises. Until 2005 he was consultant to Bolton Group, identifying potential investment and acquisition opportunities in a broad range of industry sectors. Previously he held a number of positions with public companies in North America and Canada, where he was responsible for corporate governance and finance. Charles was a co-founder and principal of BioProgress Technology, quoted on the NASD-regulated OTC market, and later migrated to AIM. Charles is also CEO of fully listed Papillon Holdings PLC and is a director of Stranger Holdings PLC and Fandango Holdings PLC, both with standard listings on the LSE.

### JAMES LONGLEY

#### **Interim CEO, Chief Financial Officer and Company Secretary**

James Longley is a chartered accountant whose career has focused on venture capital, private equity and building growth companies. His earlier career was with Arthur Andersen, Creditanstalt- Bankverein Merchant Banking and Touche Ross Corporate Finance. In 1990 he co-led the £10.5m management buy-in of The Wilcox Group, a leading UK trailer manufacturer. He was also co-founder, Director and CFO of BioProgress Technology International, a drug delivery systems developer, formerly a NASD regulated company which subsequently listed on AIM. He was also a co-founder, Director and CFO of PhotoBox Limited, Europe's leading photo finishers. It acquired Moonpig in 2011 for £120 million and PhotoBox Group was sold in early 2016 in a £400 million deal. James is also Chairman of Papillon Holdings PLC and is also a Director of standard listed Stranger Holdings PLC.

### TIM COTTIER

#### **Non-Executive Director and Independent Director**

Tim Cottier FCA is a Chartered Accountant who has spent many years in the corporate finance, real estate and green energy sectors. He qualified with Thornton Baker (now Grant Thornton) in London and spent several years with Price Waterhouse in the UK and in the Bahamas. He is CEO of Kinloch Corporate Finance who are a corporate advisory company based in London and Leeds which specialises in capital raising, private equity, venture capital and M&A activities within the SME sector dealing with transaction sizes from £1m to £50m. He is involved with a number of sustainable energy projects as advisor and in particular waste to energy sector. He established Kinloch Corporate Finance after exiting from a leading accountancy practice in Leeds where he headed up the corporate finance division. Tim has also been involved in a number of commercial property development schemes both as principal and adviser, finding sites for commercial schemes. He was a partner in Marlin Properties until 2002 and is an investor in several property projects in North Yorkshire. He is a Director of fully listed Fandango Holdings PLC.

## **CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT**

### **Overview**

As Chairman of the Board of Directors of Plutus PowerGen PLC (**Plutus, We,** or the **Company/Group** as the context requires), it is my responsibility to ensure that Plutus has both sound corporate governance and an effective Board. Plutus is an AIM listed power Company focusing on the development and operation of flexible energy generation (**FlexGen**) projects in the UK.

Plutus' Board has adopted the principles of the Quoted Companies Alliance Corporate Governance Code (**QCA Code**) in accordance with the London Stock Exchange's recent changes to the AIM Rules, requiring all AIM quoted companies to adopt and comply or explain non-compliance with a recognised corporate governance code. The QCA Code identifies ten principles to be followed in order for companies to deliver growth in long term shareholder value, encompassing an efficient, effective and dynamic management framework accompanied by communication to promote confidence and trust. This report follows the structure of these guidelines and explains how we have applied the guidance as well as disclosing any areas of non-compliance. We will provide annual updates on our compliance with the QCA Code. The Board considers that the Group complies with the QCA Code so far as it is practicable having regard to the size, nature and current stage of development of the Company, and will disclose any areas of non-compliance in the text below.

The sections below set out the ways in which the Group applies the ten principles of the QCA Code in support of the Group's medium to long-term success.

Key governance changes during the year include the formal adoption of the QCA Code, and the appointment of James Longley as Interim Chief Executive Officer, alongside his role as Chief Financial Officer, due to the passing of CEO Phil Stephens.

### **QCA Principles**

#### **1. Establish a strategy and business model which promotes long-term value for shareholders**

The Board has concluded that the highest medium and long-term value can be delivered to its shareholders through the Company's objective of constructing flexible generation and gas-powered projects in the UK. Plutus' multi-revenue stream model is founded upon the roll-out of 20MW power generation sites, funded through a combination of equity and asset finance via dedicated subsidiaries.

Plutus has a large pipeline of FlexGen projects, which will be executed in different ways. The Board's strategy for future development is set out in more detail in the Chairman's Statement of the Company's 2019 Annual Report, but in summary, is to either sell existing FlexGen sites or to make an offer for the 55.5% of sites not already owned. The Company is in the process of advancing its gas portfolio, evaluating and advancing planning on a number of sites, thus diversifying its project portfolio. The Company also continues to pursue its non-dilutive investment model, setting up a dedicated entity for each site as part of the Company's bottom-up strategy, therefore limiting medium-term dilution to existing shareholders.

The Board intends to deliver shareholder returns through capital appreciation. Challenges to delivering strategy, long-term goals and capital appreciation are uncertainty in relation to organisational, operational, financial and strategic risks, all of which are outlined on pages 12-13 of the 2019 Annual Report and in the Risk Management section below, as well as steps the Board takes to protect the Company by mitigating these risks and secure a long-term future for the Company.

#### **2. Seek to understand and meet shareholder needs and expectations**

The Board recognises the importance of communication with its stakeholders and is committed to establishing constructive relationships with investors and potential investors in order to assist it in developing an understanding of the views of its shareholders.

## CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Plutus also maintains a dialogue with shareholders through formal meetings such as the AGM, which provides an opportunity to meet, listen and present to shareholders, and shareholders are encouraged to attend in order to express their views on the Company's business activities and performance. Members who have queries regarding the Company's AGM can contact the Registrars Shareholder helpline is 01252 821 390 or +44 1252 821 390 if calling from outside the UK.

The Board welcomes feedback from key stakeholders and will act where appropriate. Charles Tatnall is the shareholder liaison and meets with shareholders regularly. Analysts provide the Board with updates on the Company's business and how strategy is being implemented, as well as to hear views and expectations from shareholders. The views of the shareholders expressed during these meetings are reported to the Board, ensuring that all members of the Board are fully aware of the thoughts and opinions of shareholders.

Information on the Investor Relations section of the Company's website is kept updated and contains details of relevant developments, Annual and Interim Results, Regulatory News Service announcements, presentations and other key information.

### **3. Take into account wider stakeholder and social responsibilities and their implications for long-term success**

The Board recognises that the long-term success of the Company is reliant upon the efforts of employees, regulators and many other stakeholders. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key resources and relationships. The Company prepares and updates its strategic plan regularly together with a detailed rolling budget and financial projections which consider a wide range of key resources including staffing, consultants and utility providers.

All employees within the Company are valued members of the team, and the Board seeks to implement provisions to retain and incentivise all its employees. The Company offers equal opportunities regardless of race, gender, gender identity or reassignment, age, disability, religion or sexual orientation. The Company has five employees so are in constant contact and seek to provide continual opportunities in which issues can be raised allowing for the provision of feedback. This feedback process helps to ensure that new issues and opportunities that arise may be used to further the success of the Company. Share options and other equity incentives are offered to employees.

Sustainability is at the heart of Plutus' operations. Its flexible, stand-by sites facilitate the UK's increasing reliance on renewable energy by utilising it to cost-effectively plug intermittency gaps. The use of renewable energy also helps to advance the decarbonisation of the UK's energy sector. The Company's facilities will conform to all UK and EU air quality standards. Plutus continually evaluates types of green fuel and looks at technology to add to our generators to comply with the stringent requirements associated with the upcoming medium Combustion Plant Directive, demonstrating the Company's commitment to its corporate social responsibility.

The Company has close ongoing relationships with a broad range of its stakeholders and provides them with the opportunity to raise issues and provide feedback to the Company. The Company regularly engages with local public relations agents to gauge support for sites when applying for planning and also consult local concerns and issues in pre-planning where required.

### **4. Embed effective risk management, considering both opportunities and threats, throughout the organisation**

The Board recognises the need for an effective and well-defined risk management process and it oversees and regularly reviews the current risk management and internal control mechanisms. The 2019 Annual Report outlines the key risks to the business, see pages 12-13.

## CHAIRMAN’S CORPORATE GOVERNANCE STATEMENT (CONTINUED)

The Board regularly reviews the risks facing the Company and seeks to exploit, avoid or mitigate those risks as appropriate. The Board is responsible for the monitoring of financial performance against budget and forecast and the formulation of the Company’s risk appetite including the identification, assessment and monitoring of Plutus’ principal risks. The Audit Committee has the primary responsibility of monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported on. Risk management is regularly on the agenda of the Board, Audit Committee and other senior management meetings. Additionally, the Board reviews the mechanisms of internal control and risk management it has implemented on an annual basis, and assesses both for effectiveness.

The risk assessment matrix below sets out and categorises key risks, and outlines the mitigating actions which are in place. This matrix is updated as changes arise in the nature of risks or the mitigating actions implemented, and the board reviews these on a regular basis. Plutus has identified the principal risks to the Company achieving its objectives as follows:

<b>Risk</b>	<b>Potential Impact</b>	<b>Mitigation</b>
Availability of suitable sites	Our ability to build flexible power generation projects depends upon our ability to source suitable sites and to secure these on commercially attractive terms. Should there be a lack of suitable sites or the cost of running the sites be excessive, this would have a material adverse effect on our operations and financial performance.	Our relationships with land owners and developers, and partnership with Reliance Energy underpin our strong pipeline of land, with over 700MW of capacity under review or in progress.
Securing of planning permission	Failure to obtain permits, consents or approvals from third parties in connection with the development of stand-by power generation projects may affect our ability to complete projects. The planning process can be lengthy and delays often occur such that the process may span several accounting periods. Accordingly, there may be delays in realising value from projects.	Our strategy to focus on sites with a maximum 20MW of generating capacity facilitates the planning permission process and limits emissions to below European thresholds. The use of green fuel and gas also eases the planning process where local authorities have policies that favour low carbon power generation.
Ability to tender and win contracts	Our success is dependent on our ability to tender for and win contracts to supply flexible power. While we believe we have a good chance of successfully tendering for such contracts, should competition in the market increase or for any other reason we be unsuccessful in winning contracts to supply flexible power, this would have a material adverse effect on operations and financial performance.	Management’s track record, coupled with our success in securing contracts across diverse revenue streams, give us confidence that we will continue to be awarded contracts.
Volatility of electricity prices	Our activities and the viability of future energy generation projects are subject to changes in demand and prices for power. A significant reduction in global demand for power, leading to a fall in prices, could lead to abandonment of one or more of our projects, should these prove uneconomical	Margins are sufficiently attractive to allow us to be able to withstand a certain degree of price fluctuations, and our different revenue streams and contracts also serve to mitigate this risk. The shift towards rewarding capacity rather than simply energy – evidenced in the Capacity Market, with its 15-year

	to operate, and impact the profitability of existing sites.	contracts – also cushions us from energy price fluctuations. Volatility presents opportunities for us to capitalise on high energy prices.
Political risk	<p>The flexible power generation sector is subject to national and regional regulatory oversight, spanning building codes, safety, environmental protection, utility interconnection and metering, and other matters relating to embedded generation. Changes in Government policy could affect the return on investment and may result in changes in tax rates or reliefs.</p> <p>Key near-term uncertainties relate to the outcome of Ofgem’s review of embedded benefits, DEFRA’s review of air quality and National Grid’s review of balancing markets.</p>	<p>The underlying need for flexible stand-by generation is growing, and policymakers are thought to recognise that such assets will have to be rewarded in one way or another in order to maintain security of supply.</p> <p>Ofgem have commenced reducing Triad benefit received by small embedded generators to the residual, around 20% of the original for our locations, from last winter. This winter we receive 66%, the following year 33% and thereafter the residual. The multiple revenue streams of each site mean that financial returns, even with reduced Triad, will remain attractive.</p>
Ability to raise further funds	<p>Our business model depends on our ability to raise debt and/or equity funding for the entities we create for stand-by generation projects.</p> <p>There can be no guarantee that we will be able to raise funds on terms that are commercially viable in the context of our business model.</p>	<p>The attractive financial characteristics of our projects underpin our success to date in raising funds:</p> <p>Each 20MW gas project requires capex of circa £12.5m, and will be placed in a newly formed company. We will likely fund each site with a mixture of equity, mezzanine and debt. Each site will pay a monthly management fee to PPG.</p>

The Board considers that in light of the control environment described above, an internal audit function is not considered necessary or practical due to the size of the Company and the day to day control exercised by the Executive Directors. However, the Board will monitor the need for an internal audit function. The Board has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems.

**5. Maintain the Board as a well-functioning, balanced team led by the Chair**

The Board comprises the Executive Chairman, Charles Tatnall, Interim CEO and CFO, James Longley, and independent Non-Executive Director, Tim Cottier. The Executive Directors work full time for the Company, although the directors have other directorships, and the Non-Executive Director is expected to dedicate not less than 30 days per annum.

The Board recognises the QCA recommendation for a balance between Executive and Non-Executive Directors and the recommendation that there be at least two Independent Non-Executives. As announced on 30 October 2019 the Company is in discussions with prospective non-executive directors. The company is also in discussions with prospective operational directors. The Board will take this into account when considering future appointments. However, all Directors are encouraged to use their judgement and to challenge matters, whether strategic or operational, enabling the Board to discharge its duties and responsibilities effectively. Therefore, the Board acknowledges that at its current development, it does not comply with Principle 5. However, the Board maintains that the Board’s compositions will be frequently reviewed as the Company develops.

## CHAIRMAN’S CORPORATE GOVERNANCE STATEMENT (CONTINUED)

The Board meets regularly and is responsible for formulating, reviewing and approving the Group’s strategy, budgets, performance, major capital expenditure and corporate actions. The Company has in place an Audit Committee, a Remuneration Committee and an AIM Rules Compliance Committee with formally delegated rules and responsibilities. Meetings are open and constructive, with every Director participating fully. The Board aims to meet at least 6 times in the year. Board document authors are made aware of proposed deadlines prior to meetings.

The Directors of the Company are committed to sound governance of the business and each devotes sufficient time to ensure this happens. The table below sets out attendance statistics for each Director at Board and, where relevant, Committee meetings held during the financial year.

Directors	Meetings Attended
Phil Stephens (former director of Plutus)	1
James Longley	11
Paul Lazarevic	7
Charles Tatnall	11
Tim Cottier	10

### Directors’ conflict of interest

The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board.

### **6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities**

The Company believes that the current balance of skills in the Board as a whole reflects a very broad range of personal, commercial and professional skills, and notes the range of financial and managerial skills. The Non-Executive Director maintains ongoing communications with Executives between formal Board meetings.

Biographical details of the Directors can be found on the Company’s website.

James Longley is the Company Secretary and helps Plutus Powergen comply with all applicable rules, regulations and obligations governing its operation. The Company’s NOMAD assists with AIM matters and ensures that all Directors are aware of their responsibilities. The company also acquires the services of DMH Stallard.

In addition to their general Board responsibilities, Non-Executive Directors are encouraged to be involved in specific workshops or meetings, in line with their individual areas of expertise. The Board is kept abreast of developments of governance and AIM regulations. The Company’s NOMAD provides Board AIM Rules refresher training as well as the initial training as part of a new Director’s on boarding. All Directors develop their skills and capabilities through their continuing experiences, and Tim Cottier and James Longley are FCA’s and comply with CPE to maintain their skillset.

The Directors have access to the Company’s NOMAD, company secretary, lawyers and auditors as and when required and are able to obtain advice from other external bodies when necessary. If required, the Directors are entitled to take independent legal advice and if the Board is informed in advance, the cost of the advice will be reimbursed by the Company.

Board composition is always a factor for contemplation in relation to succession planning. The Board will seek to consider any Board imbalances for future nominations, with areas considered including board independence and gender

## CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED)

balance. The Group considers however that at this stage of its development and given the current size of its Board, it is not necessary to establish a formal Nominations Committee. Instead, appointments to the Board are made by the Board as a whole. This position however, is reviewed on a regular basis by the Board.

### **7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement**

The Directors consider that the Company and Board are not yet of a sufficient size for a full Board evaluation to make commercial and practical sense. In the frequent Board meetings/calls, the Directors can discuss any areas where they feel a change would benefit the Company, and the Company Secretary remains on hand to provide impartial advice. As the Company grows, it expects to expand the Board and with the Board expansion, re-consider the need for Board evaluation.

In view of the size of the Board, the responsibility for proposing and considering candidates for appointment to the Board as well as succession planning is retained by the Board. All Directors submit themselves for re-election at the AGM at regular intervals.

### **8. Promote a corporate culture that is based on ethical values and behaviours**

The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders, and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives.

The Board places great importance on the responsibility of accurate financial statements and auditing standards comply with Auditing Practice Board's (APB's) and Ethical Standards for Auditors. The Board places great importance on accuracy and honest, and seeks to ensure that this aspect of corporate life flows through all that the Company does.

A large part of the Company's activities is centred upon an open and respectful dialogue with employees, clients and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Directors consider that the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. Whilst the Company has a small number of employees, the Board maintains that as the company grows it intends to maintain and develop strong processes which promote ethical values and behaviours across all hierarchies.

Sustainability is at the heart of Plutus' operations. Its flexible, stand-by sites facilitate the UK's increasing reliance on renewable energy by utilising it to cost-effectively plug intermittency gaps.

The Board has adopted an anti-corruption and bribery policy (**Bribery Policy**). The Bribery Policy applies to all Directors and employees of the Group, and sets out their responsibilities in observing and upholding a zero-tolerance position on bribery and corruption, as well as providing guidance to those working for the Company on how to recognise and deal with bribery and corruption issues and the potential consequences.

The Board complies with Rule 21 of the AIM Rules for Companies relating to dealings in the Company's securities by the Directors and other Applicable Employees. To this end, the Company has adopted a code for Directors' dealings appropriate for a company whose shares are admitted to trading on AIM and takes all reasonable steps to ensure compliance by the Directors and any relevant employees.

## **CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED)**

### **9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board**

The Board is committed to, and ultimately responsible for, high standards of corporate governance. The Board reviews the Company's corporate governance arrangements regularly and expect to evolve these over time, in line with the Company's growth. The Board delegates responsibilities to Committees and individuals as it sees fit.

The Chairman's principal responsibilities are to ensure that the Company and its Board are acting in the best interests of shareholders. His leadership of the Board is undertaken in a manner which ensures that the Board retains integrity and effectiveness, and includes creating the right Board dynamic and ensuring that all important matters, in particular strategic decisions, receive adequate time and attention at Board meetings.

The Chairman of Plutus is the key contact for shareholder liaison and all other stakeholders.

Executive Directors are responsible for the general day-to-day running of the business and developing corporate strategy.

The Interim CEO has, through powers delegated by the Board, the responsibility for leadership of the management team in the execution of the Group's strategies and policies and for the day-to-day management of the business. He is responsible for the general day-to-day running of the business and developing corporate strategy while the Independent Non-Executive Director is tasked with constructively challenging the decisions of executive management and satisfying themselves that the systems of business risk management and internal financial controls are robust.

All Directors participate in the key areas of decision-making, including the following matters:

- Strategy
- Budgets
- Performance
- Major Capital Expenditure
- Corporate Actions

The Board delegate's authority to three Committees to assist in meeting its business objectives, and the Committees meet independently of Board meetings. The Board recognises that whilst Committees should comprise of at least 2 independent Non-Executive Directors, the current Board structure does not permit this, and will seek to take this into account when considering future appointments. The membership of each Committee is listed below.

#### **AUDIT COMMITTEE**

The Audit Committee has the primary responsibility of monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on. It receives and reviews reports from the Group's management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee meets not less than twice in each financial year and has unrestricted access to the Group's external auditors.

The Audit Committee comprises of Tim Cottier (Chair) and Charles Tatnall.

#### **REMUNERATION COMMITTEE**

The Remuneration Committee reviews the performance of the Executive Directors and makes recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time. The Remuneration Committee meets as and when is necessary. In exercising this role, the members of the Remuneration Committee regards the recommendations put forward in the QCA Code and, where appropriate, the UK Corporate Governance Code guidelines.

The Remuneration Committee is comprised of Tim Cottier (Chair) and James Longley.

## CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED)

### AIM RULES COMPLIANCE COMMITTEE

An AIM Rules Compliance Committee has been established. The Committee ensures that procedures, resources and controls are in place with a view to ensuring the Company's compliance with the AIM Rules. The Committee also ensures that each meeting of the Board includes a discussion of AIM matters and assess (with the assistance of the Company's Nominated Adviser and/or other advisors, where invited to participate) that the Directors are fully aware of their duties and responsibilities under the AIM Rules and other regulations.

The Committee seeks to ensure that all announcements made have been verified and approved by the Company's Nominated Adviser. The Committee has particular responsibility for questioning the Directors in the event of any unusual, substantial movement in the Company's share price.

The Committee monitors the Company's compliance with the AIM Rules and seeks to ensure that the executive directors keep the Company's Nominated Adviser informed of all relevant financial and operational developments in a timely manner.

The AIM Rules Compliance Committee comprises of Tim Cottier (Chair) and Charles Tatnall.

### NOMINATIONS COMMITTEE

In view of the size of the Board, the responsibility for proposing and considering candidates for appointment to the Board is retained by the Board.

The Chair and the Board continue to monitor and evolve the Company's corporate governance structures and processes, and maintain that these will evolve over time, in line with the Company's growth and development.

### **10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders**

The Board is committed to maintaining effective communication and having constructive dialogue with its stakeholders. The Company intends to have ongoing relationships with both its private and institutional shareholders (through meetings and presentations), and for them to have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. The Board already discloses the result of General Meetings by way of announcement and discloses the proxy voting numbers to those attending the meetings. In order to improve transparency, the Board has committed to publishing proxy voting results on its website in the future. All 2018 AGM resolutions were passed comfortably. The Company maintains that, if there is a resolution passed at a GM with 20% votes against, the Company will seek to understand the reason for the result and, where appropriate, take suitable action.

Information on the Investor Relations section of the Group's website is kept updated and contains details of relevant developments, regulatory announcements, financial reports and shareholder circulars.

Shareholders with a specific enquiry can contact us on the website contact page. The Company uses electronic communications with shareholders in order to maximise efficiency.

## DIRECTOR'S REMUNERATION REPORT

### REMUNERATION POLICY FOR THE EXECUTIVE DIRECTORS

The remuneration of the executive Directors is by way of fees and salary.

Executive Directors are entitled to accept appointments outside the Company providing that the Remuneration Committee's permission is sought.

### AGGREGATE DIRECTORS' REMUNERATION

The total amounts for Directors' remuneration were as follows:

Name of Director	Fees/basic salary £	Annual bonus £	2019 total £	2018 total £
<b>Executive</b>				
Charles Tatnall*	153,000	35,000	188,000	236,500
James Longley**	153,000	35,000	188,000	236,500
Philip Stephens (deceased)***	79,000	35,000	114,000	200,000
Paul Lazarevic****	183,000	35,000	218,000	200,000
Tim Cottier	30,000	5,000	35,000	35,000
<b>Total emoluments</b>	<b>598,000</b>	<b>145,000</b>	<b>660,000</b>	<b>908,000</b>

\* The remuneration of Charles Tatnall includes £167,000 fees, which were invoiced by Tatbels Limited.

\*\* The remuneration of James Longley includes £167,000 fees, which were invoiced by Dearden Chapman Accountants Limited.

\*\*\* The remuneration of Philip Stephens includes £107,000 which was invoiced by Ennerco Limited.

\*\*\*\* The remuneration of Paul Lazarevic includes £72,000 invoiced by Ennerco Limited and £125,000 by Apex Power Limited.

The remuneration of Tim Cottier includes £22,000 which was invoiced by Kinloch Corporate Finance Limited

In addition, a tax benefit is available from the share options they hold. However since no share options were exercised by any of the directors during the year, no tax benefit arose.

### DIRECTORS' SHARES, OPTIONS AND WARRANTS

Name	Total number of options held	Total number of warrants held	Number of Ordinary Shares held	% of issued ordinary share capital of Plutus held
Charles Tatnall	19,770,000	-	89,666,667**	10.28%
James Longley	19,770,000	-	81,166,667*	9.30%
Paul Lazarevic (ceased to be a director 29 October 2019)	-	-	85,953,379	9.85%

\* 82,449,668 of the Ordinary Shares held by James Longley are held in his own name and 7,216,999 of the Ordinary Shares are held through his self invested personal pension scheme of which James is the sole beneficiary.

\*\* 81,666,667 of the Ordinary Shares held by Charles Tatnall are held in his own name and 7,000,000 of the Ordinary Shares are held through his self invested personal pension scheme of which Charles is the sole beneficiary.

## DIRECTOR'S REMUNERATION REPORT



The Company's 2013 share option plan was approved on 8 March 2013, and options were granted over, in aggregate, 14,310,000 ordinary shares of 0.1 pence each to the Directors of the Company. Each option carries the right to subscribe for one new Ordinary Share in the capital of the Company at a price of 0.675 pence per Ordinary Share, being the closing mid-market price of the Company's Ordinary Shares on 8 March 2013 and the date on which the Plan was adopted. These options vest over a period of three years from the date of the Grant, with a third of the options vesting on the first, second and third anniversaries of the Grant respectively. These options are exercisable for a period of ten years from the date of the Grant subject to the vesting conditions and the terms of the Plan.

In May 2017, a new Share Option Incentive scheme was also introduced by the Company contemporaneously with the exercise of 10,000,000 warrants each by James Longley and Charles Tatnall at 0.9p per share. The 2017 Share Option Scheme is designed to incentivise the Directors as Plutus changes direction towards gas powered and hybrid projects. The Company granted an aggregate of 60,000,000 share options with an exercise price of 1.485p pursuant to the 2017 Share Option Scheme announced in May, vesting over three years, in equal annual instalments. 15,000,000 Options were granted to each of Paul Lazarevic, James Longley, Phil Stephens and Charles Tatnall. Post year end, all Mr Lazarevic's options have lapsed due to his breach of contract

### Going Concern

The Consolidated Financial Statements have been prepared on a going concern basis. The Group's assets are not generating revenues, an operating loss has been reported and an operating loss is expected to be incurred in the 12 months subsequent to the date of these Financial Statements. As a result, the Group will need to raise funds to provide working capital.

Based on the Board's budgets, cash flow forecasts and considered ability to raise further finance, the Directors are of the view that the Group has sufficient funds to undertake its operating activities over the next 12 months from the date these financial statements are approved. As result, they continue to adopt the going concern basis of accounting in preparing the annual financial statements for the year ended 30 April 2019.

Should the Group be unable to continue as a going concern, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities which might arise and to classify non-current assets as current. The Financial Statements do not include the adjustments that would result if the Group was unable to continue in operation.

The auditors have made reference to going concern by way of a material uncertainty paragraph within their report.

### APPROVAL

This report was approved by the Board of Directors on 31 October 2019 and signed on its behalf by:

**James Longley**  
Chief Financial Officer, Director

## DIRECTORS' REPORT

The Directors present their report and the financial statements for the year ended 30 April 2019.

### PRINCIPAL ACTIVITIES

Plutus PowerGen plc ("the Company") is the holding company of Plutus Energy Limited ("Plutus Energy" or "Subsidiary"). The business of the Group is to develop and operate flexible standby electricity generation sites. Plutus Energy will generate revenue through the sale of this power to established national energy suppliers during periods of peak electricity demand or Grid instability.

### DIVIDENDS

The Directors do not recommend the payment of a dividend (2018: £nil).

### CAPITAL STRUCTURE

Details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital during the year are shown in note 18. The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

### THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The Directors who served the Company throughout the year together with their beneficial interests, including family holdings, in the shares of the Company were as follows:

	Ordinary shares		Options	Warrants
	At 30 April 2019	At 30 April 2018		
Charles Tatnall	80,500,000	75,500,000	19,770,000	-
James Longley	67,500,000	67,500,000	19,770,000	-
The executors of Philip Stephens	50,000,000	91,762,823	5,000,000	-
Paul Lazarevic (ceased to be a director 29 October 2019)	85,953,379	85,953,379	0	-
Tim Cottier	-	-	-	-

## DIRECTOR'S REPORT

### SIGNIFICANT SHAREHOLDERS

As at 31 October 2019, the Company had been advised of the following shareholders with interests of 3% or more in its ordinary share capital:

Shareholder	Number of Ordinary Shares	Percentage of issued share capital
Mr Charles RS Tatnall	89,666,667	10.28%
Mr Paul Lazarevic (ceased to be a director of the Company on 29 October 2019)	85,953,379	9.85%
Mr James TC Longley	81,166,667	9.30%
RiverFort Global Opportunities plc	49,333,334	5.65%
T R Edwards	47,928,678	5.49%
Estate of Philip Stephens	35,416,666	4.06%
Chelverton Growth Trust plc	33,333,334	3.82%

### CREDITOR PAYMENT POLICY

The Company and its subsidiaries agree the terms of payment when agreeing the terms and conditions for their transactions with suppliers. Payment is generally made in compliance with those terms, which is normally within 30 days of the invoice being received. The average number of creditor days during 2019 was 31 days (2018: 34 days).

### CHARITABLE AND POLITICAL DONATIONS

The Company made no charitable contributions during the year (2018: £nil). The Company did not make any political donations in either year.

### DIRECTORS' SHARE OPTIONS

Share options held by the Directors are as detailed in the Directors' remuneration report.

### DIRECTORS' INDEMNITIES

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

### AUDITORS

In the case of each person who is a Director of the Company at the date when this report is approved:

- so far as each of the Directors is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each of the Directors has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

PKF Littlejohn LLP have expressed their willingness to continue in office as auditors and a resolution to appoint them will be proposed at the forthcoming Annual General Meeting.

Signed by order of the Directors:

**James Longley**

Director

31 October 2019

Registered office: 27/28 Eastcastle Street, London W1W 8DH

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange to prepare financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and have also elected to prepare the Company financial statements in accordance with IFRS as adopted by the EU. 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 and 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;
- state whether applicable IFRSs 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.

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.

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.

By order of the Board:

**James Longley**  
Director  
31 October 2019

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLUTUS POWERGEN PLC

### Opinion

We have audited the financial statements of Plutus Powergen Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2019 which comprise the Group Statement of Comprehensive Income, the Group and Company Statement of Financial Position, the Group and Company Statements of Changes in Equity, the Group and Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2019 and of the group's and parent company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which identifies conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. The Group incurred a net loss of £1,650k during the year ended 30 April 2019 and at that date the Group held net assets of £95k.

The financial statements have been prepared on the going concern basis which is reliant on the Group obtaining funding.

As stated in note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the ability of the Group and Company to continue as a going concern.

Our opinion is not modified in respect of this matter.

### Our application of materiality

The group materiality for the financial statements as a whole was £41,000, based on 3% of the net assets. We consider net assets to be the most appropriate indicator as investments within the group are fundamental to the business activity, however the material uncertainty relating to going concern status of the group signalled we should also account for the liabilities held as well.

## INDEPENDENT AUDITOR’S REPORT

Performance materiality was set at £26,650 being 65% of the overall materiality figure. We applied the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. For the component auditor in the scope of our group audit, we allocated a materiality that was less than our overall group materiality.

We have agreed with the Directors that we would report to them individual audit differences in excess of £2,050 as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

### An overview of the scope of our audit

As part of designing our audit we determined materiality, as above, and assessed the risk of material misstatement in the Financial Statements. In particular, we looked at areas requiring the directors to make subjective judgements, for example in respect of significant accounting estimates including the carrying value of assets and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the scope of our audit responded to the key audit matter
<p><b>Revenue Recognition</b></p> <p><b>The initial Group balance sheet shows accrued income of £412,500 as at 30 April 2019.</b></p> <p><b>There is a risk that revenue is not recognised in accordance with IFRS 15.</b></p>	<p>A Proof in Total test to confirm the year-end balance of Revenue and Accrued Revenue was carried out. Monthly charges were confirmed to original management agreements and deed of variations which were signed during the year for each SPV. A difference was identified, and an adjustment was required and agreed of £75,000.</p> <p>As at signing date, none of the accrued income balance at year end has been recovered. We assessed whether management’s assumptions were reasonable in light of recoverability of this balance.</p> <p>We also considered and assessed the Group’s application of IFRS 15</p>

## INDEPENDENT AUDITOR'S REPORT

<p><b>Carrying Value of Goodwill</b></p>	
<p><b>The carrying goodwill value within the Groups initial statement of financial position in respect of the investment in Plutus Energy Limited, was £1,085,000 as at 30 April 2019. Given the uncertainty in the energy market there is a risk that this is impaired.</b></p> <p><b>There is a risk that Goodwill is not valued in accordance with IFRS 3 'Business Combinations' and an impairment could be required.</b></p>	<p>We have assessed management's impairment review on goodwill for the current year and consider their impairment of £1,085,000 to be appropriate.</p>
<p><b>Valuation of Investments in SPVs</b></p>	
<p><b>The Group holds non-listed equity investments held at fair value through profit or loss of £151 as at 30 April 2019.</b></p> <p><b>There is a risk that these investments are not fair valued in accordance with IFRS 9 'Financial Instruments' and IFRS 13 'Fair Value Measurement'.</b></p>	<p>We confirmed ownership of each investment held.</p> <p>All investments are categorised within Level 3. We obtained management's assessment of the valuation of the investments held at the year end and challenged the inputs and assumptions used.</p> <p>We tested the disclosures made within the financial statements to ensure compliance with IFRS.</p> <p>We assessed whether management's assumptions were reasonable in light of the measurement objectives under IFRS 13.</p>

### 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. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

## INDEPENDENT AUDITOR'S REPORT

### Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept 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.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company 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 group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

### Use of our report

This report is made solely to the 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.

**Jonathan Bradley-Hoare (Senior Statutory Auditor)**  
**For and on behalf of PKF Littlejohn LLP**  
**Statutory Auditor**

15 Westferry Circus  
Canary Wharf  
London E14 4HD

31 October 2019

## GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 April 2019

	Note	2019 £	2018 £
Continuing operations			
Revenue		1,275,000	1,350,000
Gross profit		1,275,000	1,350,000
Administrative expenses		(1,579,744)	(1,513,022)
Share based payments		(124,408)	(289,338)
Other operating expenses	7	(128,549)	(50,153)
Impairment of goodwill	12	(1,085,000)	-
Operating loss		(1,642,701)	(502,513)
Interest charge on loan note	16	(8,000)	(12,000)
Other interest payable		-	(52,670)
Loss before tax	5	(1,650,701)	(567,183)
Tax	8	-	-
Net loss attributable to equity holders of the Company and total comprehensive loss		(1,650,701)	(567,183)
Earnings per share (pence per share):			
Basic and diluted loss per share from continuing and total operations	9	(0.22)p	(0.08)p

There are no items of other comprehensive income and hence not disclosed.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company profit and loss account. The total comprehensive loss for the parent company for the year was £1,510,396. (2018: loss of £499,350).

## STATEMENTS OF FINANCIAL POSITION

### GROUP AND COMPANY STATEMENTS OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 APRIL 2019

	Note	Group		Company	
		2019 £	2018 £	2019 £	2018 £
<b>Non-current assets</b>					
Goodwill	12	–	1,085,000	–	–
Investments in subsidiaries	10	–	–	13,333	1,098,333
Investments	11	152	152	152	152
		152	1,085,152	13,485	1,098,485
<b>Current assets</b>					
Trade and other receivables	13	475,238	146,627	880,898	368,017
Cash and cash equivalents	14	45,177	136,416	44,988	78,207
		520,415	283,043	925,886	446,224
<b>Total assets</b>		520,567	1,368,195	939,371	1,544,709
<b>Current liabilities</b>					
Trade and other payables	15	(325,203)	(254,538)	(236,452)	(64,309)
Borrowings	16	(100,000)	(100,000)	(100,000)	(100,000)
		(425,203)	(354,538)	(336,452)	(164,309)
<b>Net current (liabilities)/assets</b>		95,212	(71,495)	589,434	281,915
<b>Non-current liabilities</b>					
Borrowings	16	–	–	–	–
<b>Total liabilities</b>		(425,203)	(354,538)	(336,452)	(164,309)
<b>Net assets</b>		95,364	1,013,657	602,919	1,380,400
<b>Equity</b>					
Share capital	17	1,630,784	1,529,450	1,630,784	1,529,450
Share premium account	18	7,748,243	7,241,576	7,748,243	7,241,576
Share option and warrant reserve	19	570,036	445,628	570,036	445,628
Loan note equity reserve	21	23,657	23,657	23,657	23,657
Retained losses	22	(9,877,356)	(8,226,654)	(9,369,800)	(7,859,911)
<b>Equity attributable to owners of the Company</b>		95,364	1,013,657	602,920	1,380,400

The financial statements of Plutus PowerGen plc, registered number 5859612, were approved by the Board of Directors and authorised for issue on 31 October 2019

They were signed on its behalf by:

**James Longley**  
Director

## GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2019

	Share capital £	Share premium £	Share option reserve £	Loan note equity reserve £	Retained losses £	Total £
<b>At 30 April 2017</b>	1,496,950	6,994,076	140,652	23,657	(7,659,471)	995,864
Comprehensive income for the year	–	–	–	–	(567,183)	(567,183)
Credit to equity in respect of share-based compensation charge	–	–	304,976	–	–	304,976
<b>Issue of share capital</b>	32,500	247,500	–	–	–	280,000
<b>At 30 April 2018</b>	1,529,450	7,241,576	445,628	23,657	(8,226,654)	1,013,657
Comprehensive income for the year	–	–	–	–	(1,650,701)	(1,650,701)
Credit to equity in respect of share-based compensation charge	–	–	124,408	–	–	124,408
<b>Issue of share capital</b>	101,333	506,667	–	–	–	608,000
<b>At 30 April 2019</b>	1,630,784	7,748,243	570,036	23,657	(9,877,355)	95,364

## COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2019

	Share capital £	Share premium £	Share option reserve £	Loan note equity reserve £	Retained losses £	Total £
<b>At 30 April 2017</b>	1,496,950	6,994,076	140,652	23,657	(7,360,561)	1,294,774
Comprehensive income for the year	–	–	–	–	(499,350)	(499,350)
Credit to equity in respect of share-based compensation charge	–	–	304,976	–	–	304,976
<b>Issue of share capital</b>	32,500	247,500	–	–	–	280,000
<b>At 30 April 2018</b>	1,529,450	7,241,576	445,628	23,657	(7,859,911)	1,380,400
<b>Comprehensive income for the year</b>	–	–	–	–	(1,510,396)	(1,510,396)
<b>Credit to equity in respect of share-based compensation charge</b>	–	–	124,408	–	–	124,408
<b>Issue of share capital</b>	101,333	506,667	–	–	–	608,000
<b>At 30 April 2019</b>	1,630,784	7,748,243	570,036	23,657	(9,370,307)	602,920

## GROUP AND COMPANY STATEMENTS OF CASH FLOW

For the year ended 30 April 2019

	Note	Group		Company	
		2019 £	2018 £	2019 £	2018 £
<b>Net cash generated by/(used in) operating activities</b>	26	(603,209)	(50,523)	(133,098)	(203,234)
<b>Investing activities</b>					
Net repayments by/(advances to) subsidiary undertaking		–	–	(421,128)	94,502
<b>Net cash generated from/(used in) investing activities</b>		–	–	(421,128)	94,502
<b>Financing activities</b>					
Proceeds of share issues		519,970	180,000	519,970	180,000
Interest paid		(8,000)	(64,670)	(8,000)	(64,670)
<b>Net cash (used in)/generated from financing activities</b>		511,970	115,330	511,970	115,330
<b>Net increase/(decrease) in cash and cash equivalents</b>		(91,239)	64,807	(33,219)	6,598
<b>Cash and cash equivalents at beginning of year</b>		136,416	71,609	78,207	71,609
<b>Cash and cash equivalents at end of year</b>	15	45,177	136,416	44,988	78,207

### Major non-cash transactions

Year ended 30 April 2019

During the year the Group issued shares for services with the value of £88,000 (2018: £nil).

## NOTES TO THE FINANCIAL STATEMENTS

### 1 - GENERAL INFORMATION

Plutus PowerGen plc is a Company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 24. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 10 to 11 and in the Chairman's Statement on pages 3 to 6.

### 2 – Summary of significant accounting Policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below ('Accounting Policies' or 'Policies'). These Policies have been consistently applied to all the periods presented, unless otherwise stated.

#### Basis of preparing of financial statements

The Consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRIC Interpretations Committee ('IFRS IC') as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The Financial Statements have also been prepared under the historical cost convention.

The Financial Statements are presented in pounds sterling which is the currency of the primary economic environment in which the Group operates.

The preparation of Financial Statements in conformity with IFRS's requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information are disclosed in Note 3.

#### New standards and interpretations

(a) New and amended standards mandatory for the first time for the financial periods beginning on or after 1 May 2018

As of 1 May 2018 the Group has adopted IFRS 9 and IFRS 15.

The Group adopted IFRS 9, Financial Instruments ('IFRS 9'), which replaced IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 addresses the classification, measurement and recognition of financial assets and liabilities.

The Group reviewed the financial assets and liabilities reported on its Statement of Financial Position and completed an assessment between IAS 39 and IFRS 9 to identify any accounting changes. The financial assets subject to this review were trade and other receivables and financial assets held at fair value through profit or loss. The financial liabilities subject to this review were the trade and other payables. Based on this assessment of the classification and measurement model, there were no changes to classification and measurement other than changes in terminology.

IFRS 15 requires an expected quantitative impact of the application of IFRS 15 to be included within the financial statements. Management service income recognition is not considered to change as a result of the transition to IFRS 15. The Group has no other revenue sources.

Of the other IFRSs and IFRICs adopted, none have had a material effect on future Groups Financial Statements.

(b) New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted

Standard	Impact on initial application	Effective date
IFRS 16	Leases	1 January 2019
IFRS 9 (Amendments)	Prepayment features with negative compensation	1 January 2019
IAS 28 (Amendments)	Long term interests in associates and joint ventures	1 January 2019

## NOTES TO THE FINANCIAL STATEMENTS

2015-2017 Cycle  
IFRS 3 (Amendments)

Annual improvements to IFRS Standards  
Business combinations

1 January 2019  
\*1 January 2020

\* Subject to EU endorsement

The Group is evaluating the impact of the new and amended standards above. The Directors believe that these new and amended standards are not expected to have a material impact on the Group's results or shareholders' funds.

### BASIS OF CONSOLIDATION

The Group's consolidated financial statements incorporate the financial statements of Plutus PowerGen plc (the "Company") and entities controlled by the Company (its subsidiaries). Subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

### Going concern

The Consolidated Financial Statements have been prepared on a going concern basis. The Group's assets are not generating revenues, an operating loss has been reported and an operating loss is expected to be incurred in the 12 months subsequent to the date of these Financial Statements. As a result, the Group will need to raise funds to provide working capital.

Based on the Board's budgets, cash flow forecasts and considered ability to raise further finance, the Directors are of the view that the Group has sufficient funds to undertake its operating activities over the next 12 months from the date these financial statements are approved. As result, they continue to adopt the going concern basis of accounting in preparing the annual financial statements for the year ended 30 April 2019.

Should the Group be unable to continue as a going concern, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities which might arise and to classify non-current assets as current. The Financial Statements do not include the adjustments that would result if the Group was unable to continue in operation.

The auditors have made reference to going concern by way of a material uncertainty paragraph within their report.

### TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the year end date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition

## NOTES TO THE FINANCIAL STATEMENTS

(other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each year end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and where they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

### REVENUE

IFRS 15 was adopted from 1 January 2018. There were no material changes to the revenue arising from the adoption.

Revenue is measured at the fair value of the consideration received or receivable, and represent amounts receivable for services supplied, stated net of value added taxes. Under IFRS 15 there is a five-step approach to revenue recognition which is adopted across all revenue streams. The process is:

Step 1: Identify the agreement with the entity;

Step 2: Identify the performance obligations in the agreement;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations in the agreement; and

Step 5: Recognise revenue as and when the entity satisfies the performance obligation.

The Group generates revenue from the provision of management services which are invoiced on a monthly basis and are recognised in the period to which they relate.

The balance sheet is debited with sales mentioned above, as accrued income, which will then be received on the criteria detailed in the management agreements. At the balance sheet date, the carrying value for accrued income reflects the total value of sales which has been recognised as revenue but are not yet received.

### FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

#### (a) Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss and amortised cost including loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

#### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading and include investments in listed and unlisted equities. Details of these assets and their fair value is included in note 3.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in

## NOTES TO THE FINANCIAL STATEMENTS

an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise other receivables and prepayments' and 'cash and cash equivalents' in the Statement of Financial Position. Loans and receivables are initially measured at the transaction cost and subsequently held at amortised cost.

The Company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for other receivables which principally comprise of sundry debtors and prepayments. The recoverability of these amounts is reviewed on an ongoing basis. In measuring the expected credit losses, the receivables have been assessed on a collective basis as they possess shared credit risk characteristics.

### (b) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, being the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value with transaction costs expensed for all financial assets.

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Income Statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the Statement of Comprehensive Income within 'Other (losses)/gains – net' in the period in which they arise.

Dividends on available-for-sale equity instruments are recognised in the Statement of Comprehensive Income as part of income when the Company's right to receive payments is established, which is in line with the Company's revenue recognition policy.

### (c) Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A significant or prolonged decline in the fair value of equity investments and securities below its cost is evidence that the assets are impaired. If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is recognised in profit or loss.

### *Derecognition of financial assets and liabilities*

#### Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## NOTES TO THE FINANCIAL STATEMENTS

### Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

### Trade and other receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand and bank balances.

### Borrowings

Borrowings represent convertible loans that are accounted for as compound instruments. The fair value of the liability portion of the convertible loan notes is determined using a market interest rate for an equivalent non-convertible loan note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the loan notes. The remainder of the proceeds is allocated to the conversion option, which is recognised and included in shareholders' equity, net of tax effects, and is not subsequently re-measured.

### SHARE-BASED PAYMENTS

The Group operates a number of equity-settled, share-based schemes, under which the Group receives services from employees or third-party suppliers as consideration for equity instruments (options and warrants) of the Group. The fair value of the third-party suppliers' services received in exchange for the grant of the options is recognised as an expense in the Income Statement or charged to equity depending on the nature of the service provided. The value of the employee services received is expensed in the Income Statement and its value is determined by reference to the fair value of the options granted, including non-market based vesting conditions.

The fair value of the share options and warrants are determined using the Black Scholes valuation model.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense or charge is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Income Statement or equity as appropriate, with a corresponding adjustment to a separate reserve in equity.

When the options are exercised, the Group issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the options are exercised.

Options or warrants issued to investors are not valued as they do not represent a service performed for the Company. However, the relevant disclosures are made for users to obtain an understanding of the options that may be potentially dilutive in the future.

## 3 - CRITICAL ACCOUNTING ESTIMATION AND JUDGEMENTS

The preparation of the Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amount of expenses during the year. Actual results may vary from the estimates used to produce this Financial Statements.

## NOTES TO THE FINANCIAL STATEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following are the key estimates and judgements that have a significant risk of resulting in a material adjustment within the next year:

### **(i) Fair value of financial assets – level 3**

The Company reviews the fair value of its unquoted equity instruments at each Statement of Financial Position date. This requires management to make an estimate of the value of the unquoted securities in the absence of an active market. See note 11 for detail on the Level 3 valuation process.

### **(ii) Financial assets held at fair value through profit or loss**

Level 3 financial assets held at fair value through profit or loss have a carrying value of £151 at 30 April 2019. An impairment charge of £Nil (2018: £Nil) has been recognised in the year.

The Company follows the guidance of IFRS 9 to determine when an investment at fair value through profit or loss is impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of the short-term business outlook for the investee, including factors such as industry and sector performance and operational and financing cash flow. Management also consider external indicators such as commodity prices, investment performance and demand for the underlying commodity. As per note 2, financial assets held at fair value through profit or loss are assessed individually. Details of the assessment of each investment is included in note 12.

### **(iii) Share options**

The Group has applied the requirements of IFRS 2 Share-based Payment for all grants of equity instruments.

The Group issues equity-settled share-based payments to the directors and senior management (“Employee Share Options”). Equity-settled share-based payments are measured at fair value at the date of grant for Employee Share Options. The fair value determined at the grant date, of the equity-settled share-based payments is expensed, with a corresponding credit to equity, on a graded basis over the vesting period, based on the Group’s estimate of shares that will eventually vest. At each subsequent reporting date the Group calculates the estimated cumulative charge for each award having regard to any change in the number of options that are expected to vest and the expired portion of the vesting period. The change in this cumulative charge since the last reporting date is expensed with a corresponding credit being made to equity. Once an option vests, no further adjustment is made to the aggregate amount expensed.

The fair value is calculated using the Black Scholes method for Employee Share Options as management views the Black Scholes method as providing the most reliable measure of valuation. The expected life used in the model has been adjusted, based on management’s best estimate, for the effects of non-transferability exercise restrictions and behavioural considerations. The market price used in the model is the issue price of Company shares at the last placement of shares immediately preceding the calculation date. The fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitation of the calculations used.

### **(iv) Impairment of goodwill**

The determination of fair values of assets acquired and liabilities assumed in a business combination involves the use of estimates and assumptions such as discount rates used and valuation models applied as well as goodwill allocation.

Goodwill has a carrying value of £nil as at 30 April 2019 (2018: £1,085,000). The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in notes to the Financial Statements.

Management has concluded that an impairment charge was necessary to the carrying value of goodwill for the period ended 30 April 2019 of £1,085,000 (30 April 2018: £nil). See Note 12 to the Financial Statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 4 - BUSINESS SEGMENTS

In accordance with IFRS 8, the Group is required to define its operating segments based on the internal reports presented to its Chief Operating decision maker in order to allocate resources and assess performance. The Chief Operating decision maker is the Chief Executive. There is only one continuing class of business, being the investment in the natural resources sector.

Given that there is only one continuing class of business, operating within the UK, no further segmental information has been provided.

### 5 - LOSS FOR THE YEAR

Loss for the year from continuing operations has been arrived at after charging:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Operating lease expense in respect of property	112,490	97,157
Employee costs – including share-based compensation costs (see note 7)	878,731	1,202,712

The analysis of auditors' remuneration is as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Fees payable to the Group's auditor for the audit of the Group's annual accounts</b>	22,000	22,000
Other services pursuant to legislation:		
– tax services	1,750	1,750
<b>Total non-audit fees</b>	1,750	1,750

### 6 - EMPLOYEE COSTS (INCLUDING DIRECTORS)

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Salaries and fees	750,000	908,000
Employee share option charge	124,408	273,700
Employer's national insurance contributions	4,323	5,374
	878,731	1,202,712

The average monthly number of employees (including Executive Directors) employed by the Group during the year was 5, all of whom were involved in management and administration activities (2018: 5).

Details of Directors' remuneration and gains on the exercise of share options can be found in the section of the Directors' Remuneration Report on page 23 to 25.

## NOTES TO THE FINANCIAL STATEMENTS

### 7 - OTHER OPERATING EXPENSES

	2019 £	2018 £
Pre-planning project expenses written off	128,549	50,153
	128,549	50,153

A write off on pre-planning project expense incurred during the year as application for planning permission for the development of a double gas-powered site was initially rejected on the grounds of perceived poor air quality, subject to appeal.

### 8 - TAX

	2019 £	2018 £
Current tax	–	–
Deferred tax	–	–
	–	–

Corporation tax is calculated at 19% (2018: 19%) of the estimated assessable loss for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The charge for the year can be reconciled to the profit per the statement of comprehensive income as follows:

#### Tax reconciliation

	2019 £	2018 £
<b>Loss before tax</b>	(1,650,701)	(567,183)
Tax at UK corporation tax rate of 19% (2018: 19%)	(313,633)	(107,765)
Effects of:		
Expenses not deductible for tax purposes	269,137	29,075
Tax losses carried forward	44,496	78,690
<b>Total tax charge</b>	–	–

The Group has tax losses carried forward of £3,306,578 (Apr 2018: £3,072,515) available under the current rules. Both are available to be offset against future gains and profits.

A deferred tax asset has not been recognised in respect of these losses in view of the uncertainty as to the level and timing of future taxable profits and gains.

## NOTES TO THE FINANCIAL STATEMENTS

### 9 - EARNINGS PER SHARE

	2019 £	2018 £
Earnings per share – basic and diluted, pence per share	(0.22)	(0.08)

The basic earnings per share is calculated by dividing the loss attributable to equity holders after tax of £1,650,701 (2018– loss £567,183) by the weighted average number of shares in issue and carrying the right to receive dividend. For the year ended 30 April 2019 this was 766,683,273 (2018– 766,683,273) shares.

As the Group has incurred a loss for the year, no option or warrant is potentially dilutive, and hence the basic and diluted earnings per share are the same. At the current and prior year end, there were no share options outstanding that are potentially dilutive in the future.

### 10 - INVESTMENTS IN SUBSIDIARIES

The Group holds the following investments in subsidiary undertakings:

Subsidiary	Country of Incorporation	Percentage of ordinary shares held	Principal activity
Plutus Energy Limited	England and Wales	100%	Management services to the electricity generating entities (Note 11)
NRS Power Limited	England and Wales	100%	Electricity generation (dormant)
FC PowerGen Limited	England and Wales	100%	Electricity generation (dormant)
KI Power Limited	England and Wales	100%	Electricity generation (dormant)
LF FlexGen Limited	England and Wales	100%	Electricity generation (dormant)
Swallow Energy Limited	England and Wales	100%	Electricity generation (dormant)

The carrying value of the investments in the Company is as follows:

	2019 £	2018 £
At 1 May	1,098,333	1,098,000
Reclassification of investment in Plutus Energy Limited	-	-
Impairment of investments	(1,085,000)	-
	13,333	1,098,333

### 11 - FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS – NON CURRENT ASSETS

All investments are classified as Level 3 under the IFRS 7 fair value hierarchy as set out under Fair Value Measurements within Note 3.

As at 30 April 2019, the fair value of the 9 SPVs is based on cost of £151. The Directors consider this carrying value to equate to the fair value of this investment as the Capacity Market Mechanism market was suspended by the European Commission as this time which these entities operate in.

## NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Brought forward	151	151	136*	151
Acquisition of investments	-	-	-	-
Carried forward	151	151	136	151

The details of investments classified as available for sale are as follows:

Investment Company	Country of Incorporation	Percentage of ordinary shares held	Principal activity
Attune Energy Limited *	England and Wales	45.5%	Electricity generation
Flexible Generation Limited	England and Wales	44.9%	Electricity generation
Balance Power Limited	England and Wales	44.9%	Electricity generation
Equivalence Energy Limited	England and Wales	45.0%	Electricity generation
Precise Energy Limited	England and Wales	45.1%	Electricity generation
Valence Power Limited	England and Wales	44.7%	Electricity generation
Portman Power Limited	England and Wales	45.3%	Electricity generation
Reliance Generation Limited	England and Wales	45.6%	Electricity generation
Selectgen Limited	England and Wales	45.7%	Electricity generation

\*The investments held by the Company in 2018 was overstated by £15 as Attune Energy Limited is held by Plutus Energy Limited within the Group. No prior year adjustment is required due to the minimal impact on the accounts as all investments are held within the same Group controlled by Plutus Powergen PLC. Ownership of investments has been correctly disclosed in the statement of financial position current year.

## 12 - GOODWILL

	2019 £	2018 £
Brought forward	1,085,000	1,085,000
Goodwill written off	(1,085,000)	
Carried forward at 30 April 2019	-	1,085,000

Goodwill arises on acquisition of a 100% of the equity of Plutus Energy Limited ("PEL").

The key input determining the recoverable amount as at 30 April 2019 was based on the termination of management agreement with the SPV investments, which relates to Plutus Energy Limited only revenue stream. Further detail is included in the director's financial review on page 10.

The Directors have reviewed the carrying value of goodwill as at 30 April 2019 and consider that the whole balance should be written off.

## NOTES TO THE FINANCIAL STATEMENTS

The Directors continue to review goodwill on an on-going basis and where necessary in future periods will request external valuations to further support the valuation basis.-

### TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Trade receivables	51,172	1,546	12,960	-
Amounts due from subsidiary undertakings	-	-	659,496	313,368
Expenses rechargeable to operating entities	5,747	19,144	-	-
Other receivables	61,441	98,110	189,064	30,359
Prepayments and accrued income	356,878	27,827	19,378	24,290
	475,238	146,627	880,898	368,017

The Directors consider the carrying amount of trade and other receivables approximates to their fair value.

### 13 - CASH AND CASH EQUIVALENTS

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Cash and cash equivalents	45,177	136,416	44,988	78,207
	45,177	136,416	44,988	78,207

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

### 14 - TRADE AND OTHER PAYABLES

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Trade payables	200,417	133,728	111,943	8,195
Other payables	99,898	73,144	99,620	8,448
Accruals and deferred income	24,888	47,666	24,889	47,666
	325,203	254,538	236,452	64,309

Trade payables and accruals principally comprise amounts outstanding for trade purchases and on-going costs. The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

## NOTES TO THE FINANCIAL STATEMENTS

### 15 - BORROWINGS

#### Group and Company Convertible loans

The borrowings are comprised convertible loan notes. As of 1 May 2018, the Group adopted IFRS 9 with no adjustments required. During the year ended 30 April 2019, the financial instruments for Plutus Powergen PLC contain an embedded derivative. The net proceeds from the issue of the loan notes have been split between the liability element and an equity component, representing the fair value of the embedded option to convert the liability into equity of the Company.

The Directors estimate the fair value of the liability component of the loan notes at 30 April 2019 to be approximately £100,000 (2018: £100,000). This fair value has been calculated by discounting the future cash flows at the market rate of and therefore these instruments continue to be held at amortised cost. The loan notes are repayable on demand. The notes payable consists of the following:

	2019 £	2018 £
Liability component brought forward	100,000	200,000
Loan Notes converted to Equity	-	(100,000)
Interest charge for the period	8,000	12,000
Interest paid	(8,000)	(12,000)
Liability component of convertible loans at 30 April 2019	100,000	100,000
Other loans	-	-
<b>Total borrowings</b>	<b>100,000</b>	<b>100,000</b>
Current liabilities	100,000	100,000
Non-current liabilities	-	-
	100,000	100,000

### 16 - SHARE CAPITAL

	2019 Number	2019 £	2018 Number	2018 £
<b>Issued and fully paid</b>				
Ordinary shares of £0.001 each	825,262,268	825,262	723,928,935	723,929
Deferred shares of £0.049 each	16,439,210	805,521	16,439,210	805,521
<b>Total</b>		<b>1,630,783</b>		<b>1,529,450</b>

## Share issues

Ordinary shares	Number	Nominal value £	£
<b>Issued ordinary shares on 30 April 2017</b>	691,428,935	0.001	691,429
Issue of shares	32,500,000	0.001	32,500
<b>Issued ordinary shares on 30 April 2018</b>	723,928,935	0.001	723,929
Issue of shares	101,333,333	0.001	101,333
<b>Issued ordinary shares on 30 April 2019</b>	825,262,268	0.001	825,262

On 30 November 2018 the following share issues took place:

- 101,333,333 shares were issued for cash at 0.6p per share following a placing

## 17 - SHARE PREMIUM ACCOUNT

Share premium account	£
<b>Balance at 30 April 2017</b>	6,994,076
Premium arising on issue of equity shares	247,500
<b>Balance at 30 April 2018</b>	7,241,576
Premium arising on issue of equity shares	506,667
<b>Balance at 30 April 2019</b>	7,748,243

## NOTES TO THE FINANCIAL STATEMENTS

### 18 - SHARE OPTION AND WARRANT RESERVE

	£
<b>Balance at 30 April 2017</b>	140,652
Share-based payment charge	304,976
<b>Balance at 30 April 2018</b>	445,628
Share-based payment charge	124,408
<b>Balance at 30 April 2019</b>	570,036

### 21- LOAN NOTE EQUITY RESERVE

	£
<b>Balance at 30 April 2018, and 30 April 2019</b>	23,657

### 22 – GROUP RETAINED LOSSES

	£
<b>Balance at 30 April 2017</b>	(7,659,471)
Comprehensive loss for the year	(567,183)
<b>Balance at 30 April 2018</b>	(8,226,654)
Comprehensive loss for the year	(358,917)
<b>Balance at 30 April 2019</b>	(8,585,571)

### 23 - SHARE OPTIONS AND WARRANTS

#### Options

Total options granted to the Directors of the Company as at 30 April 2019 was 74,310,000 ordinary shares with a nominal value of 0.1 pence per share. These options vest over a period of three years from the date of the Grant, with a third of the options vesting on the first, second and third anniversaries of the Grant respectively. These options are exercisable for a period of ten years from the date of the Grant subject to the vesting conditions.

The fair value of the options was calculated using the Black-Scholes model.

The table below summarises the share options extant during the year:

Number of options at 30 April 2018	Issued in the year	Exercised in the year	Lapsed in the year	Number of options at 30 April 2019	Exercisable at 30 April 2019	Exercise price	Expiry date
9,540,000	–	–	–	9,540,000	9,540,000	0.675p	8.03.2023
60,000,000	-	–	–	60,000,000	40,000,000	1.485p	19.05.2020
				69,540,000	49,540,000		

## NOTES TO THE FINANCIAL STATEMENTS

### Warrants

The table below summarises the share warrants extant during the year:

Number of warrants at 30 April 2018	Issued in the year	Exercised in the year	Lapsed in the year	Number of warrants at 30 April 2019	Exercisable at 30 April 2018	Exercise price	Vesting date	Expiry date
30,075,207	–	–	–	30,075,207	–	1.15p	27.05.2018	27.05.2021
30,075,207	–	–	–	30,075,207	–			

## 24 - FINANCIAL INSTRUMENTS

### Categories of financial instruments

	Carrying value	
	2019 £	2018 £
<b>Financial assets</b>		
Investments held at fair value through profit or loss	152	152
Trade receivables	51,173	1,546
Cash and cash equivalents	45,177	136,416
	96,502	138,114
<b>Financial liabilities at amortised cost:</b>		
Convertible unsecured loan notes	100,000	100,000
Trade and other payables	325,203	254,538
	425,203	354,538

## 25 - RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's finance function monitors and manages the financial risks relating to the operations of the Group. These risks include credit risk, liquidity risk and cash flow interest rate risk.

The Group seeks to minimise the effects of these risks, in accordance with the Group's policies approved by the Board of Directors, which provide written principles on interest rate risk, credit risk and the investment of excess liquidity. The Group does not enter into or trade financial instruments, including derivative financial instruments, for any purpose.

### CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns and benefits for shareholders;
- to support the Group's growth; and
- to provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The capital structure consists of capital and reserves and convertible loan notes, for capital management purposes.

## NOTES TO THE FINANCIAL STATEMENTS

### INTEREST RATE RISK

The Group's exposure to interest rate risk is limited to the interest payable on the convertible unsecured loan notes, which are at fixed rates of interest.

### CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group's principal financial assets are bank balances and cash and other receivables.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

### LIQUIDITY RISK

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The directors concluded it was not necessary to carry out any sensitivity analysis as it would only have an immaterial impact.

## 26 - NOTES TO THE CASH FLOW STATEMENT

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
(Loss)/profit before tax	(1,650,701)	(567,183)	(1,435,396)	(499,350)
Share-based compensation charge	124,408	304,976	124,408	304,976
Interest payable	8,000	64,670	8,000	64,670
Goodwill written off	1,085,000	-	1,085,000	-
Project expenses written off	128,549	50,153	-	50,153
Operating cash flow before movements in working capital	(304,744)	(147,384)	(217,988)	(79,551)
Decrease/(increase) in receivables	(457,159)	71,958	(166,753)	(56,801)
Increase/(decrease) in payables	158,694	24,903	251,643	(66,882)
Net cash generated by/(used in) operating activities	(603,209)	(50,523)	(133,098)	(203,234)

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

### Net Debt

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Cash and cash equivalents	45,177	136,416	44,988	78,207
Borrowings due within 1 year	(100,000)	(100,000)	(100,000)	(100,000)

## NOTES TO THE FINANCIAL STATEMENTS

Net Debt	(54,823)	36,416	(55,012)	(21,793)
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### 27 - OPERATING LEASE ARRANGEMENTS

#### The Group and Company as lessee

	2019 £	2018 £
Minimum lease payments under operating leases recognised as an expense in the year	112,490	97,157

Minimum future lease payments under non-cancellable operating lease agreements:

	2019 £	2018 £
Due within 1 year	3,100	47,700

### 28 - RELATED PARTY TRANSACTIONS

#### Remuneration of key management personnel

The Directors of the Group are considered to be Key Management Personnel. No pension benefits are provided for any Director and all relate to short term employee benefits.

	Short term benefits £	Share Based Payment £	Total 30 June 2019 £	Total 30 June 2018 £
Charles Tatnall	188,000	31,102	219,102	304,925
James Longley	188,000	31,102	219,102	304,925
Philip Stephens (deceased)	114,000	31,102	145,102	268,425
Paul Lazarevic (resigned 18/10/2019)	218,000	31,102	249,102	268,425
Tim Cottier	35,000	-	35,000	35,000
	<b>660,000</b>	<b>124,408</b>	<b>867,408</b>	<b>1,181,700</b>

For further details in respect of the share-based payments see note 23.

During the year ended 30 April 2019 £167,000 (2018: £215,500) fees were paid to Tatbels Limited in respect of Charles Tatnall's services as Executive Chairman.

During the year ended 30 April 2019, fees of £167,000 (2018: £215,500) were paid to Dearden Chapman Accountants Limited in respect of James Longley's services as Chief Financial Officer.

During the year ended 30 April 2019, fees of £125,000 were paid to Apex Power Limited in respect of services rendered by Paul Lazarevic and fees of £179,000 were paid to Ennerco Limited in respect of services rendered by Phil Stephens and Paul Lazarevic. In 2018 fees of £358,000 were paid to Ennerco Limited in respect of services rendered by Phil Stephens and Paul Lazarevic. Phil Stephens and Paul Lazarevic were both directors of Ennerco Limited during the year.

During the year ended 30 April 2019 fees of £22,000 (2018: £22,000) were paid to Kinloch Corporate Finance Limited in respect of Tim Cottier's services as an independent non-executive director and of which Tim Cottier was a director.

## NOTES TO THE FINANCIAL STATEMENTS

### 29 - EVENTS AFTER THE YEAR END

On Thursday 24th October 2019, the European Commission's ruled that the UK's electricity back-up system, known as the Capacity Market, does not break EU state aid rules. The Capacity Market is now able to resume its role as a tool for ensuring security of supply of electricity and enables the Government to pay the energy providers what they are owed.

All other material events have been discussed in the Chairman's and Chief Executive's Report.