ACTIVE ENERGY GROUP PLC

ANNUAL REPORT & ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Company Registration Number: 03148295

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

CONTENTS **PAGE**

Frequently used abbreviations/definitions

Active Energy Group plc	"Active Energy", the "Group" or the "Company"
CoalSwitch®, the registered trademark	"CoalSwitch®"
1885 Alamac Road, Lumberton, North Carolina, USA	"Lumberton" or the "Lumberton Site"
CoalSwitch® US reference production facilities, namely:	
• Lumberton, North Carolina, United States	the "Lumberton Facility"
• Ashland, Maine, United States	the "Ashland Reference Facility"
United States Dollar	"USD" or '$"
Active Energy Group's CoalSwitch® Test Program.	the "CoalSwitch® Program"

ACTIVE ENERGY GROUP PLC
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Active Energy Group plc is a London quoted (AIM: AEG) renewable energy company.

The Company has developed a proprietary technology which transforms waste biomass material into high-value renewable fuels. Its patented product, CoalSwitch®, is a leading drop-in renewable fuel that can be co-fired with coal, completely replace coal as an alternative feedstock without requiring significant plant modifications or replace current biomass feedstock sources.

Operational Highlights:

- Early in 2023, our production and engineering partner Player Design Inc.("PDI") was awarded the requisite permits to complete a full-scale construction and the installation of the requisite equipment to allow first production at the Ashland Reference Facility in Maine.
- As the end of the calendar year approached, various deadlines and goals for production of fuel had not been achieved. PDI informed Active Energy that further delays in the commencement of production from the Reference Facility were inevitable and indicative production deadlines would extend further into H1 2024. Further, PDI indicated that it was unwilling to continue with the existing commercial terms between the parties and wished to terminate its relationship with Active Energy.
- Construction of the Reference Facility commenced mid-2023.
- Expansion of the Company's sales and engineering function in USA and Europe with the hiring of Steve Schaar (COO) and Barron Hewetson (CTO). Both had significant biomass industry expertise.
- During 2023, the intellectual property portfolio was extended with new patents granted in the US and Canada and relevant trademarks granted in North America and worldwide. Project delays were regularly notified to AEG from PDI ranging from design issues, component delivery delays and subsequent construction delays.
- Despite the delays AEG continued to secure future customer requests both in the US and internally to visit the site at the earliest opportunity.

Financial Highlights:

- Operating Loss for the year of US$15,517,696 (2022: US$1,343,745).
- Cash at bank as at 31 December 2023 US$319,137 (2022: US$2,614,472).
- Basic and diluted loss per share from continuing operations of $2.37 cents (2022: earnings per share of $0.69 cents).

Activities post the year end:

- PDI indicated that it was unwilling to continue with existing commercial terms and wanted to terminate its obligations toward AEG.
- An operational compromise could not be reached with PDI as PDI was unwilling to agree a workable formula for this, so a compromise agreement was agreed between the parties in February 2024 which saw $1.6m of cash returned to AEG
- With limited financial resources post the settlement with PDI, in April 2024 the company wound down its current business operations to examine alternative options to continue to monetise the CoalSwitch® IP in other forms.
- In October 2024 the Company raised £200,000 ($260,878) from Zen Ventures Limited through the issue of loan notes, of which £27,616 ($36,022) are convertible loan notes that will convert to new ordinary shares representing 29.9% of the Company's issued share capital on 31 December 2024 (subject to shareholder approval).
- On the 1st of November 2024 Jason Zimmerman and Max Aitken resigned as directors of the Company.

GROUP STRATEGY

Following the termination of the Group's relationship with Player Design, Inc the Group's strategy is now to realise the maximum value of the CoalSwitch® intellectual property. In light of this the board does not consider that the Group's existing KPIs have any continuing relevance. The Group's established KPIs for 2023 are summarised below and naturally, given the circumstances, none of these were met.

WHAT ARE THE COMPANY'S KEY PERFORMANCE INDICATORS?

- Establish production capacity through the commencement of the first CoalSwitch® production operations in Ashland Reference Plant.
- Replicate these production facilities and construct additional production facilities for CoalSwitch® at alternate sites in North America and internationally.
- Complete off-take agreements, through trial orders, with industrial partners, heating pellet suppliers or power generators in North America and the rest of the world.
- Establish feedstock supply agreements with established forestry product providers for the long-term supply of low-value residual and waste materials, which meet established sustainability criteria, to produce CoalSwitch®.
- Develop CoalSwitch® production technologies to further improve the fuel performance and introduce new production technologies to increase production efficiency and maximise economics.
- Increased shareholder returns.

HOW HAVE WE PERFORMED IN 2023?

- Working with our production partner PDI the focus was to establish an operation production platform for the first CoalSwitch® production at Ashland, Maine. PDI did complete some commercial milestones toward construction of the production facility during 2023, including acquiring permits to complete design work. However, many of the key agreed milestones were not achieved and constant delays caused additional financial and commercial pressures for AEG.
- While PDI focused on the production targets, AEG continued driving commercial leads and customer interest for CoalSwitch® fuel both in North America and internationally and continued to secure prospective customer orders for initial CoalSwitch® production volumes.
- During H1 2023 AEG invested in new management expertise with the hire of a COO & CTO based in the US, to complement the existing sales activities in the US and worldwide.
- During H2 2023 AEG expanded its territorial horizons, commencing sales activities in Southeast Asia to look for additional production and sales opportunities for CoalSwitch®.
- During H2 2023 AEG was awarded the relevant CoalSwitch® trademark patents for the EU. CoalSwitch® is now a registered and approved trademark in all territories including US, Canda, Europe (including the UK) and currently additional trademark applications have commenced throughout Asia and Japan.

Further key risks and uncertainties faced by the Group are disclosed on pages 9 to 10.

ACTIVE ENERGY GROUP PLC

BOARD STATEMENT

Executive Summary

Active Energy Group plc ("Active Energy" or the "Company") spent most of 2023 focused on trying to ensure that the vital business components for its commercial success were established and that the Company could successfully move towards a production facility for CoalSwitch® fuel. Given the Company's constrained access to capital throughout the year, the Company had to continuously balance the strategic goals with economic realities. As events post the year end demonstrated and despite all the positive contributions made by all members of Active Energy' team during the last 18 months, the Company had to sadly succumb to these economic realities in 2024.

The beginning of 2023 presented a series of challenges and opportunities for Active Energy. The team's focus was upon three components to drive Active Energy toward commercial success, and these included: -

Production Development at the Ashland Reference Facility in Maine (the "Reference Facility"): Working with our production partner Player Design, Inc. ("PDI"), the Company's focus was to establish an operating production platform to accommodate customer's requests for CoalSwitch® fuel and to have CoalSwitch® fuel samples available to potential customers. In 2023, PDI did complete certain commercial milestones toward construction of the Reference Facility, including the award of the requisite permits to complete full scale construction and the installation of the requisite equipment to allow first production operations to commence. However, these processes were always behind schedule and as the year progressed, these delays compounded additional commercial pressures for Active Energy

Market and Product Development for CoalSwitch® fuel: While PDI focused on the production challenges, Active Energy continued to drive toward commercial leads and gather prospective customer interest. In the first half of 2023, Active Energy invested in new management expertise to complement the existing sales activities in the U.S. and worldwide. During 2023, there was the active promotion of both the environmental and economic benefits of the fuel, including developing strategies to obtain carbon credits and additional renewable energy incentives in the US. In Q3 2023, the Company expanded its territorial horizons, commencing work in Southeast Asia to look for additional production and sales opportunities for the fuel.

Strengthen the Corporate Infrastructure with key management hires: We added depth and breadth to the team with the hire of a US based Chief Operating Officer and US based Chief Technology Officer during H1 2023. Both these individuals had significant biomass industry expertise and were excited at the commercial opportunities that CoalSwitch® could present for the existing biomass industry. Later in 2023, we worked toward additional expansion of these sales and production activities in South-East Asia with new team members hired to develop their local networks in the region.

1. Production Development at the Ashland Reference Facility, Maine

Working with PDI, the Company spent 2023 working on engineering and design, permits, certifications and other regulatory requirements needed to manufacture and sell CoalSwitch®.

Construction and Operational Permit for the Reference Facility

Construction of the Reference Facility finally commenced in mid-2023 when Active Energy announced that the appropriate permit had been awarded to PDI and its associates by the Department of Environmental Protection in the State of Maine on 24th May 2023. During the first half of 2023, PDI regularly informed Active Energy of the various delays for the project ranging from design issues, component delivery delays, permit delays and subsequent construction delays. The Board made every effort to provide shareholders with the clearest timetable toward production. However, it was recognised that the timelines extended beyond the expectations that had been initially set. Despite the delays, Active Energy continued to receive interest from prospective customers, both in the US and internationally, and requests to visit the operations at the Reference Facility. This provided important encouragement to all parties that once the Reference Facility was operational, the project could be successful.

However, project delays continued into H2 2023, with PDI unable to provide updates on the status of the Reference Facility. The delays resulted in more expense and PDI became increasingly concerned on the project viability. Active Energy offered the new management resources at its disposal to assist PDI in completing the project. These offers were declined by PDI as it chose to seek its own resolution to the construction and operational issues at the Reference Facility.

One key concern for PDI was the funding required to complete the construction of the Reference Facility. PDI had initially agreed to meet all the costs of construction through its own resources, but it became quickly apparent that, owing to the project delays, this was becoming problematic for PDI to complete alone. Active Energy was unable to assist given its own limited access to capital at that time. Active Energy did have conversations with various investors; however, all were hesitant to commit additional funding until production of CoalSwitch® fuel at the Reference Facility had commenced.

2. ***Market and Product Development for CoalSwitch® fuel***

In July 2022, the Company announced that, while PDI would focus on the engineering development activities for the CoalSwitch® program focussing on activities at Ashland, Active Energy would focus its efforts on market development opportunities, both in the US and internationally. The commercial goals between the parties were clear. PDI would focus on the completion of the Reference Facility and Active Energy would establish the customer base and the first markets for CoalSwitch® fuel. Upon first deliveries of CoalSwitch® fuel, the strategy would then be finalised between the parties to work toward the development of new production plants and product deliveries.

Sales and Promotional Activities during H1 2023

Since that announcement, Active Energy had forged its way to create a market presence both for black pellet fuels and to secure a future pipeline of fuel orders ahead of first production volumes from the Reference Facility. The Company's experienced sales personnel faced regular challenges given the flow of announcements around future production delays from the Reference Facility during 2023 and yet, in spite of this, the team managed to preserve and increase market interest.

The team presented at the Advanced Bioeconomy Leadership Conference in March 2023 in Washington DC to demonstrate the CoalSwitch® fuel merits to an audience of Environmental, Social and Governance leaders, US Government officials and, more importantly, prospective commercial partners. In addition, in September 2023, Active Energy was elected to become a member of the International Biomass Torrefaction and Carbonisation Council ("IBTC"). The IBTC promotes the sustainable production of various torrefied or carbonised technology products and considers all forms of fuels including the steam treated pellets which CoalSwitch® fuels demonstrate.

Marketing activities in North America

Throughout the year, Active Energy also continued in its efforts to sell CoalSwitch® fuel, and to create new market opportunities aligned to the current consumption of fossil fuels in North America. The focus had been to develop two distinct markets, the first for co-firing CoalSwitch® with coal and the second to create new markets for these improved biomass fuels.

The focus of the sales activities and potential customer interest moved beyond the conventional power generation industry and extended to include various heavy industries including cement, pulp and paper industries, where local and national emissions regulations continue to expand. The reception from the prospective customers was highly encouraging.

The key to unlock each of these future sales opportunities had been for CoalSwitch® fuel to be in production, in any amount of volume, at the Reference Facility. Active Energy received the definitive feedback from prospective customers that with delivered CoalSwitch® fuel, appropriate testing at specific industrial facilities could commence and commercial discussions on fuel supplies under long term contract could begin.

Continuing investment in IP

Throughout the year, Active Energy continued to extend its CoalSwitch® intellectual property portfolio. In February 2023, the US patent office granted two patents, and in Canada, one patent was granted for the treatment and preparation of biomass to be used as a fuel. This was quickly followed by the issuance of the relevant trademark registrations in both the US, Canada and the UK. In June 2023, the Company was also awarded the relevant CoalSwitch® trademark patents for the EU.

Relevant applications (both for patents and trademarks) continued throughout the year and continued in these territories during 2024. Most importantly, the CoalSwitch® trademark is now registered and approved in all territories including US, Canada, Europe (including the UK) and additional trademark applications have commenced throughout Asia, notably Japan.

The Board believed that securing the relevant trademarks and patents would be a significant milestone for the Company as production volumes commenced. Strengthening the intellectual property portfolio would not only support the ongoing advancement of its CoalSwitch® technology, but also enhance brand recognition positioning Active Energy well for the future sales and development of black pellet fuels.

3. ***Strengthen the Corporate Infrastructure with key hires***

The Company also took several key steps to prepare for future growth and scale expected after commencement of first commercial production (including relevant technology and 'know-how' developments) and to that end, during H1 2023, Active Energy hired senior management team members to build the execution capability.

Strengthened management team during 2023

In November 2022, Michelle Fagan had been appointed as the Company's Chief Financial Officer. Michelle has been working with the Company's management team since October 2020 and has 24 years' experience as a finance professional. Her careful oversight during 2023 proved invaluable in the strategic expansion of the executive team.

In March 2023, the Company appointed Steve Schaar as Chief Operating Officer to focus on the development of CoalSwitch® production and operations in the United States. Steve had more than 25 years' experience of operations, project development, program management, and new product launches from a broad range of industries. As new production centres would be added to the production portfolio, Steve's experience would be invaluable.

In July 2023, the Company appointed Barron Hewetson as the Chief Technology Officer to focus on the future development of CoalSwitch® products and new production methods. Barron has over 20 years biomass industry experience, most recently holding senior management positions at Enviva Biomass Inc. including Director of Innovation and Product Management.

These individuals had the proven track record of producing and selling millions of tons of biomass fuels. Each of these talented and experienced individuals had joined Active Energy looking to assist in the future success of CoalSwitch® and in a short time, they each made significant contributions toward the organisation. The Board was wholly supportive of these hires and believed that such hires would readily complement PDI's activities in completing the Reference Facility.

Post period end and outlook

As the end of the calendar year approached, various deadlines and goals for production of fuel had not been achieved. PDI informed Active Energy toward the end of 2023 that further delays in the commencement of production from the Reference Facility were inevitable and indicative production deadlines would extend further into H1 2024. Further, PDI indicated that it was unwilling to continue with the existing commercial terms between the parties and wanted to end its relationship with Active Energy. The Group's activities in Ashland ceased and management commenced the process of disposing of its plant and equipment located in Ashland.

At that point, Active Energy had limited cash resources available to it and the Board was wholly aware that to commence on a new project with a new commercial partner would be extremely challenging both in financial and operational terms. The Board attempted to seek an operational compromise with PDI to create even limited first production volumes of fuel from the Reference Facility and thereby allowing Active Energy the opportunity to progress. No such terms were agreed, and a settlement agreement was entered into with PDI in March 2024 under which PDI returned funds advanced by Active Energy towards development of the Ashland facility and PDI purchased the Group's plant and equipment located in Ashland. All existing intellectual property relating to CoalSwitch® was returned to Active Energy.

Active Energy became a listed corporate vehicle, with intellectual property to produce a next generation black pellet fuel but with no project to demonstrate nor commercialize this. In addition, Active Energy did not have the financial resources to be able to commence a new project over a realistic project timeframe and at that same time maintain the management team that the Board had worked hard to build. During Q1 2024, the Board and the executive management team attempted to find resolutions and examine all commercial opportunities. These challenges were heightened with the public failure of Enviva Biomass Inc., which fell into Chapter 11 during H1 2024. These circumstances, together with the industry track record meant that Active Energy could simply not attract any additional shareholder or outside investor support to rebuild the business in sufficient time.

In the light of these circumstances, the Board made the decision on 9th April 2024, to make cost cuts on the day to day running of the PLC and examine alternative options to continue to monetise the CoalSwitch® intellectual property in other forms. The operational team were released from their obligations to Active Energy to look for alternate opportunities. The Board remains extremely grateful for each team member's dedication and loyalty through these difficult circumstances.

The Board would also like to thank all of their colleagues and commercial partners for all their work and commitment toward the CoalSwitch® program in 2023 and 2024. Active Energy had built a team of biomass industry experience, which the Board considered to be 'world leading' in its track record, each of whom had the vision to progress an industry toward vastly improved environmental standards within sensible economic goals. Unfortunately, Active Energy was unable to access sufficient capital to prove these goals to its shareholders and the industry as a whole.

Jason Zimmermann and Max Aitken resigned as directors of the Company on 1 November 2024.

Going concern

The Directors have given careful consideration to the appropriateness of the going concern basis in the preparation of the Annual Report and Financial Statements for the year ended 31 December 2023. Further details of the Company's current financial position and ability to continue as a going concern are to be found in the Financial Review and in Note 1 of the Financial Statements. The Directors are confident that the funding required for the Group to continue as a going concern for the next twelve months will be available and have therefore prepared the Financial Statements on a going concern basis.

Michael Rowan	**James Leahy**
CEO	**Chairman**
T M S Rowan (Dec 3, 2024 21:42 GMT)	James Leahy (Dec 3, 2024 21:50 GMT)
Signed	**Signed**

Date 3rd December 2024

FINANCE REVIEW FOR THE YEAR ENDED 31 DECEMBER 2023

The Consolidated Financial Statements for the year ended 31 December 2023 (“Current Year”) is compared to the year ended 31 December 2022 (“Prior Year”).

Financing
The Group did not raise debt or equity finance during the year. The Group had net cash of US$0.3m at the end of the year (2022: US$2.6m).

Subsequent events
On 4 March 2024 the Group agreed a settlement with Player Design, Inc. and its connected parties (“PDI”) in relation to the Group’s aborted operations in Ashland, Maine. Under this settlement the Group received cash of $1,650,000 which represented consideration for the transfer of certain property, plant and equipment to PDI, the return of certain cash advances made by the Group to PDI for the development of the Ashland facility and the settlement of all claims between the Group and PDI. The Group has been unable to secure a new commercial partner with whom to commercialise its CoalSwitch® technology but continues to own the intellectual property to produce a black pellet fuel. In April 2024 the board decided to scale back the operations of the Group and focus its efforts on trying to monetise its CoalSwitch® Technology.

Fundraising activities through 2023
There were no fundraising activities, either of equity or debt, during 2023.

Performance
During 2023 while PDI focused on the production challenges, AEG continued to drive toward commercial leads and gather prospective customer interest. In the first half of 2023 AEG invested in new management expertise to complement the existing sales activities in the US and worldwide. During 2023, there was the active promotion of both the environmental and economic benefits of the fuel, including developing strategies to obtain carbon credits and additional renewable energy incentives in the US. In Q3 2023, the Company expanded its territorial horizons, commencing work in Southeast Asia to look for additional production and sales opportunities for the fuel.

The Company continued its tight financial controls and treasury management within its finance department during 2023 to ensure use of funds is kept in line with enhancing shareholder’s investment and this has continued to date. Given the current situation the company finds itself in the company continues to try find ways of enhancing shareholders return on investment in the most efficient and effective way it possibly can.

Continuing/discontinued operations
The overall loss for the year was US$15,517,696 (2022: US$1,343,745) with a basic and diluted loss per share of $9.59 cents (2022: $0.83 cents).
Administrative costs decreased year on year due to cost cutting measures at US$3,338,410 (2022: US$3,191,376). The net finance income of US$23,802 (2022: $24,173) represents interest received on deposited funds less interest payable on borrowings.

Non-current assets
The CoalSwitch® Equipment and other plant and equipment held at the Ashland Reference facility were held for sale at year end and were included in the PDI settlement agreement post year end.

IP was held at an estimated sales proceeds value based on the IP assessment report.

Current assets
Trade and other receivables of US$845,714 (2022: US$905,924) consist mainly of US$774,669 of project advances to Player Design Inc. for the development of the Ashland facility. These advances were repaid post year end as part of the settlement agreement with PDI.

Current liabilities
Trade and other payables were US$665,564 (2022: US$1,199,796). The largest reduction is due to stringent cost management reducing the trade payables due at year end significantly. Trade payables was $381,926 in 2023 and $428,106 in 2022.

Non-current liabilities
Loans and borrowings, related to COVID 19 Government loans, decreased slightly to US$120,846 (2022: US$133,940) due to repayments on the UK government guaranteed loan, which is repayable over 5 years. Repayments on the US government loan commenced in December 2022 and continued throughout 2023.

Cashflow
Operating cash outflows were US$2,245,340 (2022: US$2,554,563). The reduced outflow results from the reductions in working capital and cost management measures.

There was no net cash flows from investing activities (2022: US$3,037,258 cash inflow comprising proceeds of US$3,767,471 from the disposal of the Lumberton Site less cash of US$730,713 expended on the creation of intellectual property and know how in relation to the new Ashland Reference Facility).

Cash and cash equivalents of US$319,137 were on hand at December 2023 year end (2022: US$2,614,472).

Going concern
The Financial Statements have been prepared on a going concern basis. In October 2024 the Company received loan note finance of £200,000 from, a new investor, Zen Ventures Limited and it has subsequently received a commitment to provide additional future funding from Zen Ventures Limited and parties connected to Zen Ventures Limited. The facility provided is up to £500,000 and is secured by a debenture. The Board, having reviewed the cash flow forecasts, consider that this funding will be sufficient to enable the Company to settle its liabilities as they fall due for at least one year from the date of approval of these financial statements.

However, the loan notes, and by extension the future funding from Zen Ventures Limited and its connected parties, are subject to approval by the Company's shareholders at its next general meeting. The Board consider that this represents a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern (see note 1 to the financial statements).

Section 172 Statement
The Directors are well aware of their duty under Section 172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and the environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly between members of the Company.

The Board recognises that the long-term success of the Group requires positive interaction with its stakeholders, including shareholders, customers, suppliers, governmental and regulatory authorities. The Directors seek to actively identify and positively engage with key stakeholders in an open and constructive manner. The Board believes that this strategy enables our stakeholders to better understand the activities, needs and challenges of the business and enables the Board to better understand and address relevant stakeholder views which will assist the Board in its decision making and to discharge its duties under Section 172 of the Companies Act 2006.

Further corporate governance matters related to this Section 172 Statement can be found on page 19.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is subject to a number of potential risks and uncertainties, which could have a material impact on the short-term and long-term performance of the Group. This could cause actual results to differ materially from the Board's expectations.

The management of risk is the collective responsibility of the Board of Directors. To mitigate this risk the Group has developed a range of internal controls and procedures. The controls, procedures and identified risks are discussed and reviewed annually by the Audit Committee and their findings and recommendations are reported to the Board. The principal risks and uncertainties inherent in the Group's business model have been grouped into three categories: strategic, financial and regulatory. The risk items and the planned actions to mitigate these risks are listed below:

Risk (Board's view of the change in status since 2022)	**2023 Outcome and Mitigation Action**
STRATEGIC	
Governmental development of policies to support an environmental improvement agenda ***(Better)***	Whilst limited in the resources to affect global or US federal policy change, the Group will utilise the resources at its disposal to positively affect policy direction.
Risk (Board's view of the change in status since 2022)	**2023 Outcome and Mitigation Action**
FINANCIAL	**Growth and expansion are reliant on access to capital**
(1) Insufficient cash resources to maintain as a going concern ***(Unchanged)***	Cash management remains critical at this vital point in our expansion. Management has and continues to maintain a tight control over the Group's cash resources and is frugal in capital allocation, most notably ensuring all company liabilities and debts are settled.
The Group's ability to access funding to meet commitments and development plans ***(Worse)***	There is no guarantee that current market conditions will permit the raising of necessary funds, by way of debt financing or the issue of new equity, as and when the Group requires in the coming months. The Board is consistently monitoring the timing and nature of additional funding requirements to bring the company's accounts up to date, have the company relisted and continue with working capital requirements. Given current equity capital market conditions, the Company remains at risk regarding its ability to raise sufficient capital to accelerate and increase production activities and increase production volumes. During 2024 the Company received loan note finance of £200,000 from Zen Ventures Limited and it has subsequently received a commitment to provide additional future funding from Zen Ventures Limited and parties connected to Zen Ventures Limited

The Group's ability to access local government or local regulatory support in each jurisdiction we operate within ***(Unchanged)***	Engagement with local government or regulatory authorities is key to the Group's future success. The Group will use all the tools it has available to ensure this engagement is productive and that all requisite support is obtained both for initial approvals and on an on-going operational basis.
Inflationary pressure on capital and operating costs ***(Worse)***	Current global inflationary and supply pressures continue and may result in the group being unable to deliver capital projects on time and on budget. Additionally, inflation impacts operating costs, transport and logistics costs and feedstock pricing, all of which remain under immense pressure and difficult to confirm. It is also uncertain whether any or all of these costs may be passed on to customers in the contract pricing for CoalSwitch®. Price escalations may impact the operational profitability for the Company.
Risk (Board's view of the change in status since 2022)	**2023 Outcome and Mitigation Action**
REGULATORY	**The company is listed on the AIM market of the London Stock Exchange and subject to the associated regulatory regime**
Failure to comply with law and regulations in the jurisdictions in which we operate ***(Unchanged)***	The Group employs advisers with the requisite experience and skill sets to manage the Group's business within all applicable laws and regulations.
Suspension of the company's shares trading on AIM ***(New)***	On 1st of July 2024 the company's shares were suspended from trading on AIM. In order to reinstate trading the company must publish its annual report for the year ended 31 December 2023 and interim report for the six months ended 30 June 2024. This must be done before the 31st of December 2024 to avoid permanent delisting. The directors have taken steps to ensure that these reports are published before the end of the year.

CORPORATE SOCIAL RESPONSIBILITY REPORT

At its core Active Energy is seeking to improve the quality of the environment. CoalSwitch® is a next generation biomass fuel utilising low value forestry residual. The production of CoalSwitch®, whether by Active Energy or by a third party acquiring the intellectual property, remains the core purpose of the Company. A biomass fuel capable of co-firing with coal which can result in significantly reduced emissions represents an important sustainable power source during the transitionary period as the world moves away from consumption of fossil fuels. The requirement is to increase power generation whilst reducing all emissions and consumption of existing natural resources. We believe CoalSwitch® is uniquely positioned to contribute towards those sustainability goals for the biomass fuel sector, the associated sectors of coal consuming industries and the lumber industry.

Corporate Responsibility

The Board takes regular account of the significance of social, environmental, and ethical matters affecting the Group wherever it operates. It is developing a specific set of policies on corporate social responsibility, which seek to protect the interests of all its stakeholders through ethical and transparent actions and include an anti-corruption policy and code of conduct.

Environment

The Board recognises that its activities have the potential to impact the environment and is committed to working with states and other bodies in each of the territories in which it may operate to establish and follow international principles of environmental sustainability and renewability.

At the Ashland Reference Facility, Maine, USA, the Company worked closely with Player Design Inc., the owner of the site, to ensure it complied with all environmental related requirements in the State of Maine.

Likewise, the Company will comply with all environmental related requirements arising from any future CoalSwitch® operations in any applicable states.

Suppliers and Contractors

The Group recognises that the goodwill of its contractors, consultants and suppliers is crucial to the success of its business and seeks to build and maintain this goodwill through fair and transparent business practices. The Group aims to settle genuine liabilities in accordance with contractual obligations.

Health and Safety

The Board recognises that it has a responsibility to provide strategic leadership and direction in the development and maintenance of the Group's health and safety strategy, in order to protect all of its stakeholders. The Group will always remain vigilant in this regard to ensure the health and safety of all stakeholders.

Community relations

Active Energy seeks to engage with the local communities, in which the Company operates, on issues as they arise, and more generally in everyday matters. The Group employs locally to provide opportunities for those in the communities within which we operate, will support local initiatives, and will pay local taxes and other fiscal contributions as they become due.

Gender and diversity

As the Company executes its growth strategy and requires additional board representation, the question of gender and sexual equality will be included in the nominations committee brief for consideration.

The Company hires local representatives on a non-discriminatory basis, cognisant of gender and diversity.

Enhanced governance
Governance processes are discussed in the Corporate Governance Statement. The Board remains committed to improving the governance of the Company and encourages stakeholders who identify opportunities for improvement to notify the Board.

The Strategic Report has been approved by the Board of Directors and signed on behalf of the Board.

James Leahy

James Leahy (Dec 3, 2024 21:50 GMT)

Non-Executive Chairman
3rd December 2024

DIRECTORS & SENIOR MANAGEMENT INFORMATION

James Leahy
Non-Executive Chairman

Beginning his career at the London Metal Exchange, James has spent the subsequent 35 years involved in stockbroking and commodities in a variety of roles, including research analyst, equity salesman and specialist corporate broker, which covered mining finance, origination, and distribution. He has worked on a wide range of projects worldwide, ranging from industrial minerals, coal, iron ore, precious metals, copper, diamonds, lithium, uranium, plantations, forestry, and palm oil. Lately, he has employed his corporate governance skills, having gained substantial experience as an independent director on the boards of several quoted and unquoted companies. In addition, Mr Leahy has direct experience in capital markets, having worked at James Capel, Credit Lyonnais, Nedbank, Canaccord and Mirabaud, where he gained invaluable experience with international institutional fund managers, hedge funds, private equity and sector specialist investors. Additionally, Mr Leahy has been involved in many IPOs, as well as primary and secondary placings, and the development of junior mining companies through to production.

He is currently a director of the listed fund Geiger Counter Ltd, Savannah Resources Plc and Capital Metals Plc.

Michael Rowan
Chief Executive Officer

Michael was appointed Chief Executive officer in July 2018 after a 3-year tenure as a non-executive director of the Group. Michael is a qualified solicitor, qualified corporate financier with a broad range of banking, commercial and legal experience.

After graduating from the University of Cambridge, he practised as a solicitor at Linklaters in London, Hong Kong, and New York. He then moved to Merrill Lynch International in London and New York, and over a 10-year period, he worked in Equity Capital Markets and Investment Banking division, with responsibility for origination, execution and commercial negotiation of equity and equity-linked transactions, including major privatisations and demutualisation's in the UK and EMEA regions.

Since leaving Merrill Lynch, Michael has been involved in the management of various start up and microcap companies over the last decade. His focus has been on technology and renewable energy sectors. The companies have been based in London, the US and Canada and have included both private companies and companies listed on the junior stock markets, including AIM and OTC.

Jason Zimmermann
Non-Executive Director
Resigned 01 November 2024

Jason Zimmermann has over 20 years' experience in the timber resource sector. He is currently the President of Zimmfor Management Services Ltd ("Zimmfor"), an industry leading consulting firm focused on sustainable forestry management and Managing Partner at GreenRaise Consulting GmbH and Global Forest Support GmbH – both businesses focus on carbon offset project implementation. Jason has field and technical expertise relating to timberland assets worldwide and Zimmfor has worked with Active Energy in previous projects in Canada and Ukraine. He is a Registered Professional Forester and a graduate of the University of British Columbia with a Bachelor of Science in Forestry

Max Aitken
Non-Executive Director
Resigned 01 November 2024

Max Aitken has founded and been instrumental in the financing of several businesses in the energy industry. He founded and is CEO of Estover Energy, a leader in the UK biomass industry which built wood-fuelled biomass CHP plants using over 700,000 tonnes of fuel annually, financed with £350m of capital. He is a trustee of the Beaverbrook Foundation in London, and President of the Beaverbrook Canadian Foundation in Montreal. He is Chairman of 3ti, a fast-growing solar EV charging business.

Country of Incorporation
England and Wales
Company number: 03148295

Directors
J Leahy
T M S Rowan
M Aitken (Resigned 01 November 2024)
J Zimmermann (Resigned 01 November 2024)

Secretary
Cargill Management Services Limited
27- 28 Eastcastle Street
London
W1W 8DH

Registered Office
27- 28 Eastcastle Street
London
W1W 8DH

Auditors
Gravita Audit Limited
Chartered Accountants and Registered Auditors
Aldgate Tower
2 Leman Street
London E1 8FA

Bankers
HSBC Bank Plc
69 Pall Mall
London
SW1Y 5EY

Solicitors
Knights Limited
400 Dashwood, Lang Road
Weybridge, Surrey
KT15 2HJ

Nominated Advisor& Broker
Allenby Capital Limited
5 St Helen's Place
London
EC3A 6AB

Nominated Joint Broker
Zeus Capital Limited
125 Old Broad Street
12th Floor, London
EC2N 1AR

Registrars
Share Registrars
The Courtyard, 17 West Street
Farnham
GU9 7DR

CORPORATE GOVERNANCE STATEMENT

The Group is committed to high standards of corporate governance and seeks to continually evaluate its policies, procedures, and structures to ensure that they are fit for purpose. It is the responsibility of the Board to ensure that the Group is managed in an efficient, effective, and entrepreneurial manner for the benefit of all shareholders over the longer term. Corporate governance is an important aspect of this, reducing risk and adding value to our business.

As a Company whose shares are traded on the AIM market of the London Stock Exchange, the Company complies with the Quoted Companies Alliance Corporate Governance Code (the "QCA Code") as the basis of the Group's Governance framework and its Statement of Compliance can be found on the Company website: https://www.aegplc.com/investors/corporate-governance/

Board

The Board is collectively responsible for the governance of the Company and is accountable to the Company's shareholders for the long-term success of the Group. The Board sets the Company's strategic objectives and ensures that they are properly pursued within a sound framework of internal controls and risk management. It is ultimately responsible for the management, governance, controls, risk management, direction, and performance of the Group.

At the date of this report the Board of Directors currently has two members, comprising the Non-Executive Chairman and Chief Executive Officer. James Leahy was appointed Non-Executive Chairman on 1 February 2021, replacing Michael Rowan, who moved to the role of Chief Executive Officer.

The Chairman is responsible for leadership of the Board. He is assisted by other Board members in formulating strategy and, once agreed by the Board, the Executive Directors are responsible for its delivery. The structure of the Board ensures that no one individual dominates the decision-making process and the Chairman facilitates and ensures that there is effective contribution from other Executive and Non-Executive Directors. The Board provides effective leadership and overall management of the Group's affairs. The Board approves the Group's strategy and investment plans and regularly reviews operational and financial performance and risk management matters. This includes the approval of business plans, the annual budget, major capital expenditure, acquisitions and disposals, allocation and raising of funds, risk management policies and the approval of the Financial Statements.

The Board currently represents an effective balance of skills and experience in the renewable energy and biofuels industries, finance, corporate and business development as well as entrepreneurial and country background. The Directors are individually responsible for maintaining their respective continuous professional development. The experience and knowledge of each of the Directors gives them the ability to constructively challenge the strategy and to scrutinise performance. The Board is committed to ensuring diversity of skill and experience. Biographical details of the Directors as at the date of the Annual Report and Accounts are available in the section 'Directors and Other Information' and on the Company's website.

The Board is aware of 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. Executive directors are employed on a full-time basis, whereas non-executive directors provide a minimum of two days per month, plus additional time as required.

The Board holds a minimum of four scheduled meetings each year. Additional meetings are held where necessary to consider matters of importance which cannot be held over until the next scheduled meeting. During the current year, the Board held four scheduled meetings and met a further fifteen times. The Board may, when required, approve matters by written resolutions and/or appointed a committee to approve specific matters. Details of the attendance of the Directors at eligible meetings, together with meetings of the Audit and Remuneration Committees are set out below.

ATTENDANCE RECORD during 2023

Directors	Board (Scheduled)	Board (Additional)	Audit Committee	Remuneration Committee
James Leahy	9 of 9	6 of 6	3 of 3	1 of 1
Michael Rowan	9 of 9	6 of 6	3 of 3	1 of 1
Max Aitken	9 of 9	6 of 6	3 of 3	1 of 1
Jason Zimmermann	9 of 9	6 of 6	3 of 3	1 of 1

The Company has engaged an external company, Cargill Management Services Limited, to perform company secretarial services. The company secretary is responsible for all corporate filings, compliance, preparation of board materials and attendance of the AGM.

Board Committees

Audit Committee

The Audit Committee is chaired by James Leahy. The Chief Executive Officer and other members of the Board attend the Audit Committee meetings by invitation. The Committee meets at least twice a year. Meetings are held in compliance with the QCA Code regarding the composition of Audit Committees.

During 2023, the Committee met twice. Additional meetings are held where necessary to consider matters referred by the Board. It is responsible for ensuring that the financial activities of the Group are properly monitored, controlled, and reported on, complying with relevant legal requirements. The Committee receives and reviews reports from management and the Group's auditors relating to the Group's Report and Accounts, the interim results and review of the accounting policies.

The Committee aims to meet with the auditors at least twice a year, once at the audit planning stage to consider the scope of the audit and thereafter at the reporting stage to receive post-audit findings. The ultimate responsibility for reviewing and approving the annual report remains with the Board of Directors. The Committee is also responsible for reviewing the relationship with the external auditors, making recommendations to the Board on their appointment and remuneration, monitoring their independence, as well as assessing scope and results of their work, including any non-audit work. The Committee authorises any non-audit work to be carried out by the external auditors and ensures that the objectivity and independence of the external auditor has not been impaired in anyway by the nature of the non-audit work undertaken, the level of non-audit fees charged for such work or any other factors.

The Committee, with management, reviews the effectiveness of internal controls.

Remuneration Committee

The Remuneration Committee is chaired by James Leahy. The Committee recommends to the Board the scale and structure of the Executive Directors' remuneration and that of senior management and the basis of their service agreements with due regard to the interests of shareholders. In determining the remuneration of the Executive Directors and senior management, the Committee seeks to ensure that the Company will be able to attract and retain executives of the highest calibre. It makes recommendations to the Board concerning bonuses and share awards. No Director participates in discussions or decisions concerning his own remuneration. Further details regarding matters considered by the Remuneration Committee during the year are outlined in the Remuneration Report. The Chairman of the Committee will attend the AGM and respond to any shareholder questions on the Committee's activities.

Nomination Committee

The Company does not currently have a nomination committee as the Board does not consider it appropriate to establish such a committee at this stage of the Company's development. Decisions which would usually be taken by the nomination committee, including recruitment and senior appointments are be taken by the Board as a whole. A review of the composition of the board (including skills, knowledge, and experience) is performed annually by the Board.

Board Evaluation

Internal evaluation of the Board, the committees and individual Directors is seen as an important next step in the development of the Board. The Directors are currently reviewing the timing and process through which this evaluation will be undertaken, including peer appraisal, questionnaires, and discussions to determine the effectiveness and performance in various areas as well as continued independence.

No external evaluation of the Board took place during the year.

Other Corporate governance Matters

The matters below relate to the Section 172 statement on page 8.

Environment

The Board recognises that its principal activities have the potential to impact the environment and is committed to working with states and other bodies in all the territories in which it operates to establish and follow international principles of environmental sustainability and renewability. The Company's strategy is intended to have a positive impact on the environment and the Board seeks to ensure that all activities consider the potential impact upon the environment.

Employees

The Group engages its employees in all aspects of the business and seeks to remunerate them fairly. The Group gives full and fair consideration to applications for employment regardless of age, gender, colour, ethnicity, disability, nationality, religious beliefs, or sexual orientation. The Board takes employees' interest into account when making decisions. Any suggestions from employees aimed at improving the Group's performance or practices are welcomed.

Suppliers and Contractors

The Group recognises that the goodwill of its contractors, consultants and suppliers is important to the success of its business and seeks to build and maintain this goodwill through fair and transparent business practices. The Group aims to settle genuine liabilities in accordance with contractual obligations.

Health and Safety

The Board recognises that it has a responsibility to provide strategic leadership and direction in the development and maintenance of the Group's health and safety strategy, to protect all its stakeholders.

Shareholders

The Board is active in communicating with all its shareholders and encourages two-way communication with both its institutional and private investors, subject to compliance with the AIM Rules and the Market Abuse Regulations. The Executive Directors talk regularly with the Company's major shareholders to ensure a mutual understanding of objectives and to further explain the Group's strategy and ensure that their views are communicated fully to the Board.

The Board recognises the AGM as an important opportunity to meet with private shareholders. In normal circumstances, the Non-Executive Directors attend the shareholders' meetings and are available to answer any relevant questions.

Extensive information about the Group's activities is included in the Annual Report and the Interim Report. The Group also issues regular updates to shareholders. Market sensitive information is regularly released to all shareholders in accordance with London Stock Exchange rules for AIM-listed companies. The Company maintains a corporate website where information on the Company is regularly updated, including Annual and Interim Reports, presentations, and announcements.

Internal Controls and Risk Management

The Directors are responsible for the Group's internal financial controls. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the Group's systems and processes are designed to provide reasonable assurance that issues are identified in a timely basis and dealt with appropriately.

The Board acknowledges that it is responsible for establishing and maintaining the Group's system of internal controls and reviewing its effectiveness. The procedures that include, inter alia, financial, operational, health and safety, compliance matters and risk management (as detailed in the Principal Risks and Uncertainties section) are reviewed on an ongoing basis.

The Group's internal control procedures include Board approval for all significant projects, including corporate transactions and major capital projects. The Board receives and reviews regular reports covering both the technical progress of its projects and the Group's financial affairs to facilitate its control.

The Group has in place internal control and risk management systems in relation to the Group's financial reporting process and the Group's process for preparing consolidated accounts, which the Board considers adequate in view of the size and nature of the Group's operations. The Audit Committee reviews draft Annual and Interim Reports before recommending them for approval to the Board.

The Board acknowledges that it is responsible for managing and preventing fraud, corruption or any other malfeasance which comes to its attention, and to implementing control systems to ensure that knowledge of such events is communicated to the Board in a timely and accurate manner. The internal control system can only provide reasonable, rather than absolute, assurance against material misstatement or loss. The Board has considered the need for a separate internal audit function but, bearing in mind the present size and composition of the Group, does not consider it necessary for the time being.

ACTIVE ENERGY GROUP PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2023

Principal Activities, Business Review & Strategies
The Company has developed a proprietary technology which transforms low-cost biomass material into high-value sustainable fuel. Its patented product CoalSwitch® is a leading drop-in renewable fuel that can be co-fired with coal, or completely replace coal as an alternative feedstock without requiring significant power plant modifications or the need to replace existing biomass feedstock resources.

A detailed review of the significant developments and operating activities of the Group, as well as the business environment, future prospects and the main trends and factors that are likely to affect the future development, performance and position of the Group's business are contained in the Strategic Report.

Directors
The Directors during the year under review and appointed post year end were:
- James Leahy (Non-Executive Chairman)
- Michael Rowan (Chief Executive Officer)
- Max Aitken (Non-Executive Director – resigned 01 November 2024)
- Jason Zimmermann (Non-Executive Director – resigned 01 November 2024)

In accordance with the Company's Articles of Association, at the Annual General Meeting ("AGM") held on 11th of July 2023, Jason Zimmerman retired by rotation and was duly re-elected. Jazon Zimmerman retired as a non-executive director on the 1st of November 2024.

Dividends
No dividend is proposed for the year ended 31 December 2023 (2022: $nil).

Directors' Indemnities
The Company maintained directors' and officers' liability insurance during the year, and it remains in force at the date of this report.

Research and Development
Working with PDI, the Company continued to work on the technology for CoalSwitch® production and the planning toward completion of the reference plant in Ashland, Maine during the year. However, given its current situation the Company is not currently undertaking any further development work.

Auditors
All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which they auditors are unaware.

Auditors' appointment
A resolution to re-appoint Gravita Audit Limited as the company's auditors will be proposed at the forthcoming Annual General Meeting.

ACTIVE ENERGY GROUP PLC

Significant Shareholders

As at 3rd December 2024, the Company had no shares held in treasury and has 161,863,136 Ordinary Shares in Issue ("OSI"). The Company had received notification from the following shareholders of interests in excess of 3% of the Company's OSI:

Shareholder	Number of shares	Percentage of OSI
Hargreaves Landsdown Stockbrokers	21,525,307	13.30%
Gravendonck Private Foundation	20,484,065	12.66%
Halifax Share Dealing Limited	15,763,616	9.74%
Interactive Investor Services Limited	13,309,311	8.22%
Peel Hunt LLP	12,543,673	7.75%
Tyler Player	10,741,142	6.64%
Barclays Stockbrokers Limited	6,658,834	4.11%
Aj Bell Securities Limited	6,149,417	3.80%

Share Capital

Details of the Company's share capital are set out in Note 19.

Information set out in the Strategic Report

The Directors have chosen to disclose likely future developments in the Strategic Report which would otherwise be required to be contained in the Directors' Report.

Capital and financial risk management

Details of the Group's capital and financial risks and the management thereof is set out in Note 24.

Going Concern

The Financial Statements have been prepared on a going concern basis. In October 2024 the Company received loan note finance of £200,000 from Zen Ventures Limited and it has subsequently received a commitment to provide additional future funding from Zen Ventures Limited and parties connected to Zen Ventures Limited. The Board, having reviewed the cash flow forecasts, consider that this funding will be sufficient to enable the Company to settle its liabilities as they fall due for at least one year from the date of approval of these financial statements.

However, the loan notes, and by extension the future funding from Zen Ventures Limited and its connected parties, are subject to approval by the Company's shareholders at its next general meeting. The Board consider that this represents a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern (see note 1 to the financial statements).

Annual General Meeting

The date for the Annual General Meeting ("**AGM**") will be agreed and publicised after the publication of the interims which is expected to be 10th December 2024. The notice for the AGM and proxy voting form would be put to the Board for approval at a later date.

The Notice of Meeting and Report and Accounts will be available on the Company's website:
https://www.aegplc.com/investors/corporate-documents/

By Order of the Board

James Leahy

James Leahy (Dec 3, 2024 21:50 GMT)

Non-Executive Chairman
3rd December 2024

As an AIM quoted company, Active Energy is not obliged to implement the remuneration reporting requirement for premium listed companies set out in The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. However, the Remuneration Committee ("the Committee") has chosen to disclose the following information in the interests of greater transparency:

- An overview of the remuneration policy for the Group's executives endorsed by the Committee following a review of the existing remuneration arrangements.

Remuneration Policy

The Company's policy is to maintain levels of remuneration sufficient to recruit and retain senior executives of the required calibre who can deliver growth in shareholder value. The Committee desires to create a strong alignment of interest between executives and shareholders. Consequently, the Committee seeks to strike an appropriate balance between fixed and performance-related reward, with a clear link between pay and performance.

Aligned with the position and performance of the Company, senior executives did not receive performance related pay during 2022 or 2023. The Company's remuneration policy during the financial year consisted only of salary. There were no annual bonuses awarded in the current financial year. The Committee recognises that the salary component is below market related benchmarks but believes this is appropriate in the Company's position.

In 2021 and 2022 and 2023 the Committee indicated that it would seek to ensure salaries and performance pay are market-related to attract and retain the right calibre executive, including the introduction of pension, medical insurance and life insurance benefits for Executive Directors. With the exception of medical insurance benefits to Steve Schaar (COO) and Barron Hewetson (CTO), the Company's position did not permit initiation of these benefits during 2022 or 2023, nor for any salary benchmark adjustments. The Committee will re-evaluate these benefits when the company is on a stronger footing.

Long Term Incentive Plan

In early 2021, following a recommendation from the Remuneration Committee, the Board approved a new Long Term Incentive Plan ("LTIP"). The LTIP is intended to align the interests of the Executive Directors and senior management with the shareholders and includes malus and clawback clauses.
On 4 July 2022 the Company's Ordinary shares were consolidated on a 1 for 35 basis and corresponding adjustments have been made to the number and exercise price of the LTIP options.

During 2021 the Board approved the granting of 2,470,556 share options under the LTIP to Executive Directors and senior management (RNS 26/02/21), equal to 2.2% of the Ordinary shares in issue at that date. The share options have a 3-year vesting period and a duration of 10 years. The first exercise price of these share options (on 50% of each participants award) is 70.44 pence which represented a 75% premium to the Company's mid-market price on 25 February 2021. The second exercise price is set at a further 75% premium over the first exercise price, 123.27 pence, for the remainder of the participant's awards. Share options were granted to Directors as follows:

During 2023 the Board approved the granting of 8,283,840 share options under the LTIP to Executive Directors and Senior Management (RNS 19/07/23), equal to 12% of the Ordinary shares in issue at that date. The Options have been granted in three tranches, with each tranche having a different vesting period and exercise prose as follows:

- 3,594,470 Options have an exercise price of 8.3 pence per Ordinary Share (which represents a circa 35% premium to the closing mid-market price of an Ordinary Share on 18 July 2023, the date prior to grant) and vest immediately ("**Tranche 1**");

- 2,344,685 Options have an exercise price of 10 pence per Ordinary Share (which represents a circa 20% premium over the Tranche 1 exercise price) and vest on 18 July 2024 ("**Tranche 2**"); and

- 2,344,685 Options have an exercise price of 12 pence per Ordinary share (which represents a circa 20% premium over the Tranche 2 exercise price) and vest on 18 July 2025 ("**Tranche 3**").

All of the Options expire ten years from the date of grant and are subject to additional performance related vesting criteria. In total, the Options represent 5.12% of the Company's current issued Ordinary Shares and, when taken with the existing options and warrants over Ordinary Shares, the Company will have options and warrants outstanding over 8.26% of the Company's issued share capital.

	2023	**2022**
Michael Rowan	4,909,570	1,672,308
James Leahy	400,000	-
Max Aitken	239,360	139,359
Jason Zimmermann	239,360	139,359
Andrew Diamond [a]	-	390,205
Total	**5,788,290**	**2,341,231**

[a] Andrew Diamond resigned on 22 November 2022.

Directors' Service Contracts

Executive Directors

Executive Directors are employed under service contracts with notice periods as follows:

Michael Rowan 12 months[a]

[a] Michael Rowan and James Leahy have indicated their intention to resign from the board of directors once suitable replacements have been appointed.

Non-Executive Directors

The Non-Executive Directors are appointed under letters of appointment for an initial term of approximately three years with a notice period of one month from the Company or Non- Executive Director. At the reporting date the expiry of the term of each Non - Executive Director was as follows;

James Leahy	To be re-elected at 2025 AGM if a suitable replacement has not been found
Max Aitken	Resigned 01 November 2024
Jason Zimmermann	Resigned 01 November 2024

Directors' Remuneration

Remuneration and benefits for Directors were as follows:

12-months to 31 December 2023

	Gross Fees & Salary US$	**Benefits US$**	**Bonus US$**	**TOTAL US$**
Directors at 31 December 2023				
T M Rowan	279,860	-	-	279,860
J Leahy	87,067	-	-	87,067
M Aitken	43,534	-	-	43,534
J Zimmermann	43,534	-	-	43,534
	453,995	**-**	**-**	**453,995**

ACTIVE ENERGY GROUP PLC

12-months to 31 December 2022

	Gross Fees & Salary US$	Benefits US$	Bonus US$	TOTAL US$
Directors at 31 December 2022				
T M Rowan	221,661	-	-	221,661
J Leahy	86,602	-	-	86,602
M Aitken	43,301	-	-	43,301
J Zimmermann	43,301	-	-	43,301
	394,865	**-**	**-**	**394,865**
Other Directors during the year				
Andrew Diamond [a]	205,966	6,341	-	212,307
	600,831	**6,341**	**-**	**607,172**

[a] Andrew Diamond resigned on 22 November 2022.

Directors' Interests in Share Capital of the Company

The interests of Directors who held office at 31 December 2023 are set out in the table below:

	Ordinary Shares held			Ordinary Share Options & LTIPs	
	1 January 2023	**31 December 2023**	**27 Nov 2024**	**31 December 2023**	**Weighted Exercise price (p)**
T M Rowan	1,785,321	1,785,321	1,785,321	4,909,570	39.53
J Leahy	686,428	686,428	686,428	400,000	9.38
M Aitken[a]	114,285	114,285	114,285	239,360	60.30
J Zimmermann[a]	127,471	127,471	127,471	239,360	60.30

[a] Max Aitken and Jason Zimmerman resigned on 01 November 2024.

James Leahy

James Leahy (Dec 3, 2024 21:50 GMT)

Non-Executive Chairman

3rd December 2024

STATEMENT OF DIRECTORS' RESPONSIBILITY

Responsibility Statement

The Directors are responsible for preparing the Annual Report and the Group and parent Company Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom in conformity with the requirements of the Companies Act 2006.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company for that period and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- properly select and apply suitable accounting policies;
- make judgements and accounting estimates that are reasonable and prudent, and which result in relevant, reliable, comparable, and understandable information;
- provide additional disclosures when compliance with the specific accounting standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- make an assessment of the Group's ability to continue as a going concern.

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

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial statements are published on the Group's website at www.aegplc.com in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the on-going integrity of the financial statements contained therein.

Each of the Directors, whose names and functions are listed in the Report of Directors confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the United Kingdom, give a true and fair view of the assets, liabilities and financial position and profit or loss of the Group and parent Company taken as a whole; and
- the Strategic Report and the Directors' Report include a fair review of the development and performance of the business and the position of the Company, and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

This confirmation is given in accordance with Section 418 of the Companies Act 2006.

By order of the Board
James Leahy

James Leahy (Dec 3, 2024 21:50 GMT)
Non-Executive Chairman
3rd December 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIVE ENERGY GROUP PLC

Opinion

We have audited the financial statements of Active Energy Group PLC (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2023 which comprise the consolidated statement of income and other comprehensive income, the consolidated and Parent Company statement of financial position, the consolidated and Parent Company statements of changes in equity, the consolidated and Parent Company statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted International Accounting Standards (IFRSs). The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom adopted International Accounting Standards, 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 31 December 2023 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted International Accounting Standards;
- the Parent company financial statements have been properly prepared in accordance with United Kingdom adopted International Accounting Standards 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 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 explains that following the termination of the Group's relationship with Player Design, Inc., the Parent Company is now principally a holding company and its projected future cash requirements comprise its ongoing compliance and management costs and the funding for these costs will be met by way of additional future funding from parties connected to Zen Ventures Limited. The company has received a signed support letter providing intent that this financial support will be available for at least 12 months from the date these financial statements are signed. The Parent Company has already received loan note finance of £200,000 from Zen Ventures Limited and it has subsequently received a commitment to provide additional future funding from Zen Ventures Limited and parties connected to Zen Ventures Limited.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIVE ENERGY GROUP PLC (Continued)

The loan note finance provided includes £27,616 of convertible loan notes that will convert to new ordinary shares representing 29.9% of the Parent Company's issued share capital on 31 December 2024, contingent upon, inter alia, the suspension in trading in the Parent Company's shares on AIM having been lifted by this date. To achieve this the Parent Company must, inter alia, publish its annual report and financial statements for the year ended 31 December 2023 and its interim results for the six months ended 30 June 2024. The loan notes, and by extension the future funding from Zen Ventures Limited and its connected parties, are also subject to approval by the Parent Company's shareholders at its next general meeting.

As at the date of signing these financial statements this support, whilst believed to continue into the foreseeable future by the directors and for at least 12 months from the date of signing these financial statements, is not guaranteed as the conversion of loan notes is subject to shareholder approval. If the approval is not granted and the support is withdrawn, the company would not be considered a going concern. As detailed within note 1, the company's ability to continue as a going concern is reliant on the continuing financial support from Zen Ventures Limited and its connected parties. These events or conditions, along with the other matters as set out in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included a detailed review of future forecasts and assessing the assumptions utilised by management in preparing the forecast. These assumptions were further assessed based on expected costs incurred based on our understanding of the Parent Company's future plans. We have reviewed the cash held at year end up to the date of signing of this report and the commitment of funding from parties connected to Zen Ventures Limited to support the Company and the availability and adequacy of their funds.

We have performed the following audit procedures in relation to going concern:

- Evaluated the suitability of management's model for the forecast;
- Reviewed evidence of funds and assets of the parties connected to Zen Ventures Ltd who have committed to support the Company;
- Reviewed the cash balances held by the Parent Company and cash injections from parties connected to Zen Ventures Ltd;
- Reviewed the loan note finance terms and heads of terms between the Parent Company and Zen Ventures Ltd; and
- Considered whether the likelihood of the Parent Company defaulting on the loan note finance.

The forecast includes a number of assumptions related to future cash flows and associated risks. Our audit work has focused on evaluating and challenging the reasonableness of these assumptions during the forecast period. Due to the going concern status of the company being contingent on a number of factors, we ensured that these have been appropriately disclosed in Note 1. Based on the work we have performed, there is an uncertainty due to the reliance on the support from Zen Ventures Limited and its connected parties to enable the company to meet liabilities as they fall due. We note that this support is not guaranteed as the conversion of loan notes is subject to shareholder approval and if not approved could mean that the company is not a going concern.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate, on the premise that the Parent Company shareholders approve the conversion of the loan notes at its next general meeting.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and Parent's ability to continue as a going concern.

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

Our audit approach

Overview

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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 paragraph relating to the going concern, we have determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

- Carrying value of intangible assets
- Carrying value of property, plant and equipment and reclassification as non-current asset held for sale
- Carrying value of investments in subsidiaries and intercompany loans (Company only risk)
- Carrying value of other financial assets

These are explained in more detail below.

Audit scope

We conducted audits of the Group and Parent Company financial information. We performed specified procedures over certain account balances and transaction classes at other Group companies.

Taken together, the Group companies over which we performed our audit procedures accounted for 100% of the absolute profit before tax (i.e. the sum of the numerical values without regard to whether they were profits or losses for the relevant reporting units) and 100% of revenue.

Key audit matters

Key audit matter	**How our audit addressed the key audit matter**
Carrying value of intangible assets The Group had intangibles of US$63,670 at the year-end (2022: US$8,064,585). The intangibles relate to intellectual property costs incurred to secure the rights and knowledge associated with the CoalSwitch® and PeatSwitch technology. The Directors have a duty to confirm that all intangibles are correctly recognised. IAS 36 Impairment of assets ("IAS 36") states that assets must be assessed for indicators of impairment at each reporting period, for all cash-generating units ("CGUs"). Should such indicators exist the recoverable amount of the asset will be compared to the carrying value, and if the carrying value exceeds the recoverable amount, the difference is recorded as an impairment loss.	We have performed the following audit procedures: • We determined that there were Indicators of impairment considering the liquidation of Advanced Biomass Solutions Limited ("ABSL") which held the intangible assets of the Group. • We challenged management's assessment of the recoverable amounts calculated. • We reviewed correspondences with ABSL's liquidator and supporting evidence for the liquidator's broker on the intangible assets fair value less costs to sell. Based on the audit work performed, we are satisfied with management's valuation of the recoverable amount of intangible assets as recognised in the financial statements.

As explained by the directors' in the critical accounting judgements and key sources of estimation uncertainty section, the intangible assets have been impaired to their recoverable amount, which has been determined to be their fair value less costs to sell. Management have estimated fair value through consultation with brokers and other market participants and consider these to be Level 3 inputs as defined by IFRS 13.	
Carrying value of property, plant and equipment and reclassification as non-current asset held for sale The Group had property, plant, and equipment of US$154 at the year-end (2022: US$4,772,530). The carrying amount in property, plant, and equipment of US$154 is solely made up of furniture and office equipment. The directors determined that plant and equipment fit the definition of non-current assets held for sale per IFRS 5 and these were impaired down to their recoverable amount of $875,330 and reclassified as non-current asset held for sale. The directors are satisfied that the carrying value of the non-current asset held for sale as at the year end is correct.	We have performed the following audit procedures: • We reviewed managements application of IFRS 5. • We challenged management's premise of the plant and equipment being available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and that such sale is highly probable, in order to reclassify these as non-current asset held for sale. • We reviewed board minutes, papers and documentation of negotiation between the eventual buyer which corroborate management's position. • We reviewed the finalised settlement agreement with the buyer, which was signed post year end, and payments received to confirm the recoverable value of the non-current asset held for sale. Based on the audit work performed, we are satisfied with management's valuation of the recoverable amount of plant and equipment and its reclassification as non-current asset held for sale in the financial statements.
The carrying value of investments and inter-company loans to subsidiaries (Company-only risk) As at the year end, the Company had investments in subsidiaries of US$nil (2022: US$5,732,103) and amounts due from group companies of US$2,129,033 (2021: US$21,444,342).	We have performed the following audit procedures: • We reviewed the statutory filings to confirm the status of each subsidiary to establish management's basis for impairment.

As all of the parent's subsidiaries were dissolved in the year or following the year end or is undergoing liquidation, the directors have recognised impairments to investments in subsidiaries and inter-company loans to their respective recoverable amounts.	• We reviewed the payments received by the company following the year end to confirm the recoverable amount of intercompany loans. Based on the audit work performed, we are satisfied with management's valuation of the recoverable amount of inter-company loans.
Carrying value of other financial assets The Group had other financial assets of US$870,047 at the year-end (2022: US$823,744). These assets consist of an unquoted equity instrument which is valued at fair value through other comprehensive income and classified as a non-current asset. This asset is valued according to Level 3 inputs as defined by IFRS 13 and is therefore subject to management's judgement of unobservable inputs. The asset is currently held at its cost which represents management's best estimate of its fair value. There is a risk that the carrying value of other financial assets is not reflective of its fair value.	We have performed the following audit procedures: • We obtained management's valuation for the estimate of fair value and tested the clerical accuracy of the valuation. • We reviewed and challenged management on the methodology used. • We ensured that disclosures of the key judgements and assumptions were appropriately disclosed. Based on the audit work performed, we are satisfied with management's valuation of the carrying amount of other financial assets at cost which represents the best estimate of the fair value.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	**Company financial statements**
Overall materiality	US$59,000 (2022: US$170,000).	US$47,000 (2022: US$92,100).
How we determined it	Based on 2% of Gross Assets (2022: Based on 1% of Gross Assets).	Based on 2% of Gross Assets, limited to a percentage of Group materiality (2022: Based on 1% of Gross Assets).
Rationale for benchmark applied.	We believe that gross assets is a primary measure used by shareholders in assessing the performance of the Group.	We believe that gross assets is a primary measure used by shareholders in assessing the performance of the Group.

Performance Materiality	70% of overall materiality	70% of overall materiality
	In setting the level of performance materiality we considered a number of factors including likelihood of misstatements based on our past experience of auditing the Group and heightened inherent risk of management bias due to uncertainties surrounding going concern.	

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components is ranged from US$28,900 and US$47,000.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above US$2,900 (2022: US$8,200) for the Group audit and US$2,300 (2022: US$5,000) for Company audit, as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits 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.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group financial statements are a consolidation of 5 reporting units, comprising the Group's operating businesses and holding companies.

We performed audits of the complete financial information of the Group and Parent Company of Active Energy Group Plc reporting units, which were individually financially significant and accounted for 100% of the Group's revenue and 100% of the Group's absolute profit before tax (i.e. the sum of the numerical values without regard to whether they were profits or losses for the relevant reporting units). We also performed specified audit procedures over other intangible assets, as well as certain account balances and transaction classes that we regarded as material to the Group at the 5 reporting units.

The Group engagement team performed all audit procedures.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and Parent company and its 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 set out on page 26, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience of the entity's activities:
  -

   - The Companies Act 2006 and IFRS in respect of the preparation and presentation of the financial statements and;
   - AIM regulations and Market Abuse Regulations
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including taxation legislation, data protection, anti-bribery, employment, environmental, health and safety legislation and anti-money laundering regulations.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit; and
- we assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
   - making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
   - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 of the Group financial statements were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and
- in response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
   - agreeing financial statement disclosures to underlying supporting documentation;
   - reading the minutes of meetings of those charged with governance;
   - enquiring of management as to actual and potential litigation and claims; and
   - reviewing correspondence with HMRC and the Group's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of noncompliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment by for example forgery, or intentional misrepresentation or through collusion. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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

Other matters which we are required to address

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent company and we remain independent of the Group and the Parent company in conducting our audit. Our audit opinion is consistent with the additional report to the audit committee.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIVE ENERGY GROUP PLC (Continued)

Use of this 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 that 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, or the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

J. Charlesworth

J. Charlesworth (Dec 3, 2024 22:08 GMT)

Jan Charlesworth (Senior Statutory Auditor)

For and on behalf of,
Gravita Audit Limited (Statutory Auditor)
Aldgate Tower
2 Leman Street
London E1 8FA

3 December 2024

ACTIVE ENERGY GROUP PLC

CONSOLIDATED STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

CONTINUING OPERATIONS	**Note**	**2023** **US$**	*restated* **2022** **US$**
Administrative expenses		(2,521,981)	(2,178,118)
OPERATING LOSS	4	**(2,521,981)**	**(2,178,118)**
Net finance income	5	23,802	24,173
Foreign exchange (loss)/gains		(1,335,635)	3,268,157
(LOSS)/PROFIT BEFORE TAXATION		**(3,833,814)**	**1,114,212**
Taxation	6	-	-
(LOSS)/PROFIT FROM CONTINUING OPERATIONS		**(3,833,814)**	**1,114,212**
LOSS FROM DISCONTINUED OPERATIONS	7	**(11,683,882)**	**(2,457,957)**
LOSS FOR THE YEAR - ATTRIBUTABLE TO THE PARENT COMPANY		**(15,517,696)**	**(1,343,745)**
Basic and diluted (loss)profit per share (US cents) – continuing operations	8	(2.37)	0.69
Basic and diluted (loss) per share (US cents) – discontinued operations	8	(7.22)	(1.52)
Basic and diluted (loss) per share (US cents) – all operations	**8**	**(9.59)**	**(0.83)**
OTHER COMPREHENSIVE INCOME/(LOSS)			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation of operations		1,381,325	(3,426,765)
Total other comprehensive Income/(loss)		**1,381,325**	**(3,426,765)**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(14,136,371)**	**(4,770,510)**

The notes on pages 41 to 75 form part of these financial statements.

ACTIVE ENERGY GROUP PLC

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	Group 2023 US$	Group 2022 US$	Company 2023 US$	Company 2022 US$
NON-CURRENT ASSETS					
Intangible assets	9	63,670	8,064,585	-	-
Property, plant & equipment	10	154	4,772,530	154	1,015
Investment in subsidiaries	11	-	-	-	5,732,103
Intercompany Receivables	12	-	-	-	21,444,342
Other financial assets	13	870,047	823,744	870,047	823,744
		933,871	13,660,859	870,201	28,001,204
CURRENT ASSETS					
Trade and other receivables	14	845,714	905,924	59,023	131,197
Intercompany Receivables	12	-	-	2,129,033	-
Cash and cash equivalents	15	319,137	2,614,472	38,445	2,545,913
		1,164,851	3,520,396	2,226,501	2,677,110
Non-current assets held for sale	16	875,330	-	-	-
		2,040,181	3,520,396	2,226,501	2,677,110
TOTAL ASSETS		**2,974,052**	**17,181,255**	**3,096,702**	**30,678,314**
CURRENT LIABILITIES					
Trade and other payables	17	665,564	1,199,796	487,601	351,255
Loans and borrowings	18	14,781	13,724	12,908	11,920
		680,345	1,213,520	500,509	363,175
NON-CURRENT LIABILITIES					
Loans and borrowings	18	120,846	133,940	18,864	30,085
		120,846	133,940	18,864	30,085
TOTAL LIABILITIES		**801,191**	**1,347,460**	**519,373**	**393,260**
NET ASSETS		**2,172,861**	**15,833,795**	**2,577,329**	**30,285,054**
EQUITY					
Share capital – Ordinary Shares	19	786,867	786,867	786,867	786,867
Share capital – Deferred Shares	19	18,148,898	18,148,898	18,148,898	18,148,898
Share premium		55,349,883	55,349,883	55,349,883	55,349,883
Merger reserve		2,350,175	2,350,175	2,350,175	2,350,175
Foreign exchange reserve		(4,469,769)	(5,851,094)	(4,725,115)	(5,744,107)
Own shares held reserve		(268,442)	(268,442)	(268,442)	(268,442)
Convertible debt/warrant reserve		690,937	690,937	690,937	690,937
Retained earnings		(70,415,688)	(55,373,429)	(69,755,874)	(41,029,157)
TOTAL EQUITY		**2,172,861**	**15,833,795**	**2,577,329**	**30,285,054**

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company's income statement. The parent company's loss after tax for the year was $29,202,154 (2022: $740,114).

The financial statements were approved and authorised for issue by the Directors on 2024 and were signed on their behalf by:

Michael Rowan
Chief Executive Officer

T M S Rowan (Dec 3, 2024 21:42 GMT)

Company Number 03148295

The notes on pages 41 to 75 form part of these financial statements.

ACTIVE ENERGY GROUP PLC

GROUP CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital US$	Share premium US$	Merger reserve US$	Foreign exchange reserve US$	Own shares held reserve US$	Convertible debt and warrant reserve US$	R
At 31 December 2021	**18,935,765**	**55,349,883**	**2,350,175**	**(2,424,329)**	**(268,442)**	**1,165,911**	**(55,4**
Loss for the year	-	-	-	-	-	-	(1,3
Other comprehensive loss	-	-	-	(3,426,765)	-	-	
Total comprehensive loss	-	-	-	(3,426,765)	-	-	(1,3
Realisation of revaluation reserve	-	-	-	-	-	-	5
Share based payments and warrants	-	-	-	-	-	(474,974)	9
At 31 December 2022	**18,935,765**	**55,349,883**	**2,350,175**	**(5,851,094)**	**(268,442)**	**690,937**	**(55,3**
Loss for the year	-	-	-	-	-	-	(15,5
Other comprehensive income	-	-	-	1,381,325	-	-	
Total comprehensive income/(loss)	-	-	-	1,381,325	-	-	(15,5
Share based payments and warrants	-	-	-	-	-	-	4
At 31 December 2023	**18,935,765**	**55,349,883**	**2,350,175**	**(4,469,769)**	**(268,442)**	**690,937**	**(70,4**

The purpose and nature of each of the above reserves is described in Note 22.

The notes on pages 41 to 75 form part of these financial statements.

ACTIVE ENERGY GROUP PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital US$	Share premium US$	Merger reserve US$	Foreign exchange reserve US$	Own shares held reserve US$	Convertib debt an warra reserv US
At 31 December 2021	**18,935,765**	**55,349,883**	**2,350,175**	**(2,004,424)**	**(268,442)**	**1,165,91**
Loss for the year	-	-	-	-	-	
Other comprehensive loss	-	-	-	(3,739,683)	-	
Total comprehensive loss	-	-	-	(3,739,683)	-	
Share based payments and warrants	-	-	-	-	-	(474,97
At 31 December 2022	**18,935,765**	**55,349,883**	**2,350,175**	**(5,744,107)**	**(268,442)**	**690,93**
Loss for the year	-	-	-	-	-	
Other comprehensive income	-	-	-	1,018,992	-	
Total comprehensive income/(loss)	-	-	-	1,018,992	-	
Share based payments and warrants	-	-	-	-	-	
At 31 December 2023	**18,935,765**	**55,349,883**	**2,350,175**	**(4,725,115)**	**(268,442)**	**690,93**

The purpose and nature of each of the above reserves is described in Note 22.

The notes on pages 41 to 75 form part of these financial statements.

ACTIVE ENERGY GROUP PLC

CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 US$	Group 2022 US$	Company 2023 US$	Company 2022 US$
Cash (outflow) from operations	23	(2,879,469)	(2,554,563)	(2,463,338)	(711,370)
Income tax received		634,129	-	-	-
Net cash (outflow) from operating activities		**(2,245,340)**	**(2,554,563)**	**(2,463,338)**	**(711,370)**
Cash flows from investing activities					
Purchase of intangible assets		-	(730,213)	-	-
Sale of property, plant and equipment		-	3,767,471	-	-
Net cash inflow/(outflow) from investing activities		**-**	**3,037,258**	**-**	**-**
Cash flows from financing activities					
Intercompany loans received		-	-	-	1,150,373
Unsecured debt repaid		(18,981)	(13,652)	(13,245)	(13,174)
Net cash (outflow)/inflow from financing activities		**(18,981)**	**(13,652)**	**(13,245)**	**1,137,199**
Net (decrease)/increase in cash and cash equivalents		**(2,264,321)**	**469,043**	**(2,476,583)**	**425,829**
Cash and cash equivalents at beginning of the year		**2,614,472**	**1,940,871**	**2,545,913**	**1,915,571**
Exchange gains/(losses) on cash and cash equivalents		(31,014)	204,558	(30,885)	204,513
Cash and cash equivalents at end of the year	15	**319,137**	**2,614,472**	**38,445**	**2,545,913**

The notes on pages 41 to 75 form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES

General information

Active Energy Group plc is a public limited company, limited by shares, incorporated in England and Wales, and quoted on the AIM market of the London Stock Exchange. Its registered office address is 27/28 Eastcastle Street, London, W1W 8DH. The principal activity of the Group is described in the Strategic Report. On 1st July 2024 the company's shares were suspended from trading on the AIM market.

Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. Certain prior year disclosures have been restated to account for discontinued operations in accordance with the requirements of IFRS 5.

Both the Company financial statements and the Group financial statements (collectively the "Financial Statements") have been prepared and approved by the Directors in accordance with International Financial Reporting Standards ("IFRS") as adopted by the UK, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The Financial Statements have been prepared on the historical cost basis, as modified by the revaluation of property, plant and equipment, available for sale financial assets and certain financial assets and liabilities, including derivative financial instruments, held at fair value through profit and loss.

The preparation of financial statements in compliance with IFRS requires the use of accounting estimates. It also requires management to exercise judgement in the most appropriate application of the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effects are disclosed at the end of this note.

Basis of consolidation

The financial information incorporates the results of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Group has power over relevant activities, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consolidated financial statements present the financial results of the Company and its subsidiaries (the Group) as if they formed a single entity.

Where necessary, adjustments are made to the results of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less provisions for any permanent diminution in value. Total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests, except when cumulative losses of the subsidiary result in negative equity, whereafter total comprehensive income is attributed to the Group.

1. ACCOUNTING POLICIES (continued)

Going concern

In preparing the financial statements the Directors are required to make an assessment of the Company's ability to continue as a going concern and whether it is appropriate to prepare the financial statements on a going concern basis.

Following the termination of the Group's relationship with Player Design, Inc. the Company is now principally a holding company and its projected future cash requirements comprise its ongoing compliance and management costs. The Company has prepared cash flow forecasts to estimate these future cash requirements, and the resources available to it, and these indicate that the Company should have sufficient cash resources to continue in operation for at least one year from the date of approval of these financial statements.

In October 2024 the Company received loan note finance of £200,000 from Zen Ventures Limited and it has subsequently received a commitment to provide additional future funding from Zen Ventures Limited and parties connected to Zen Ventures Limited. The Board, having reviewed the cash flow forecasts, consider that this funding commitment will be sufficient to enable the Company to settle its liabilities as they fall due for at least one year from the date of approval of these financial statements.

The financial statements have therefore been prepared on a going concern basis.

The Zen Ventures Limited loan note finance includes £27,616 of convertible loan notes that will convert to new ordinary shares representing 29.9% of the Company's issued share capital on 31 December 2024, contingent upon, inter alia, the suspension in trading in the Company's shares on AIM, a market operated by the London Stock Exchange plc, having been lifted by this date. To achieve this the Company must, inter alia, publish its annual report and financial statements for the year ended 31 December 2023 and its interim results for the six months ended 30 June 2024 and the Board are very confident of meeting these requirements before 31 December 2024.

However, the loan notes, and by extension the future funding from Zen Ventures Limited and its connected parties, are also subject to approval by the Company's shareholders at its next general meeting. The Board consider that this represents a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The financial statements do not include any of the adjustments that would be required if they were not prepared on a going concern basis.

Restatement of prior period

The statement of comprehensive income for the year ended 31 December 2022 has been restated to report the 2022 loss from operations discontinued during 2023 within the *loss from discontinued operations* line (see note 7). The overall loss for the year ended 31 December 2022, the total comprehensive loss for the year and net assets at 31 December 2022 are unaffected.

New and amended standards which are effective for these Financial Statements

A number of amended standards became mandatory and are effective for annual periods beginning on or after 1 January 2023. These have not had a material impact on the financial statements.

1. ACCOUNTING POLICIES (continued)

New and amended standards which are not yet effective for these Financial Statements
There are a number of new and amended standards and interpretations that are not mandatory for the year ended 31 December 2023 and have not been early adopted in these financial statements.

These are summarised in the following table and will be adopted in the period when they became mandatory unless otherwise indicated.

Ref	Title	Summary	Application date (accounting periods commencing)
IAS1	*Presentation of Financial Statements*	*Amendments: classification of liabilities as current or non-current*	*1 January 2024*
		Amendments: classification of debt with covenants	*1 January 2024*
IFRS 7	*Financial Instruments: Disclosures*	*Amendments: classification and measurement of financial instruments*	*1 January 2026*
IFRS 7	*Financial Instruments: Disclosures*	*Amendments: supplier finance arrangements*	*1 January 2024*
IFRS 9	*Financial Instruments*	*Amendments: classification and measurement of financial instruments*	*1 January 2026*
IFRS 16	*Leases*	*Amendments: clarification of the measurement of sale and leaseback transactions that qualify as sales transactions under IFRS15*	*1 January 2024*
IFRS 18	*Presentation and Disclosures*	*Presentation and Disclosures in Financial Statements*	*1 January 2027*
IAS7	*Supplier Finance arrangements*	*Amendments: additional disclosures about supplier finance arrangements*	*1 January 2024*

The impact of the initial application of these amendments and new standards on the Group's financial statements is not yet known.

Discontinued operations
An operational business unit is classified as a discontinued operation when it has been either disposed of or classified as *held for sale* in accordance with IFRS 5 at the reporting date. The results of discontinued operations are shown separately in the income statement.

Revenue recognition
Revenue is recognised in accordance with the requirements of IFRS 15 'Revenue from Contracts with Customers'. The Company recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework: 1. Identify the contract(s) with the customer; 2. Identify the performance obligations in the contract; 3. Determine the transaction price; 4. Allocate the transaction price to the performance obligations in the contract; and 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

1. ACCOUNTING POLICIES (continued)

Revenue is recognised when control of the products has been transferred to the customer. Control is considered to have transferred once products have been received by the customer unless shipping terms dictate otherwise. Revenues exclude intra-group sales and value added taxes and represent net invoice value less estimated rebates, returns and settlement discounts. The net invoice value is measured by reference to the fair value of the consideration received or receivable by the Group for goods supplied. In the case of income from licencing activities, revenue is recognised as and when the relevant performance obligations defined by the licence agreement have been satisfied. This may be on initial grant of the licence if the grant is itself the performance obligation. Alternatively, the performance obligation may be dependent on certain further events, such as production under the terms of the licence, in which case revenue will be recognised as this occurs.

Impairment of non-financial assets (excluding inventories, investment properties and deferred tax)

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ("CGUs"). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from the synergies of the combination giving rise to the goodwill. Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

Intangible assets

Externally acquired intangible assets with a finite useful life are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives and tested for impairment annually. Externally acquired intangible assets with an infinite life are not amortised but are tested for impairment annually.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

1. ACCOUNTING POLICIES (continued)

Intangible assets (continued)
Internally generated intangible fixed assets are recognised if they meet the requirements set out by International Accounting Standards. Specifically,

- the asset must be separately identifiable that is to say that either it is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged; or it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations;
- the cost of the asset can be measured reliably;
- the technical feasibility of completing the intangible asset;
- the Group intends and is able to complete the intangible asset and use or sell it;
- the intangible asset will generate probable future economic benefits;
- there are available and adequate technical, financial, and other resources to complete and to use or sell the intangible asset; and
- Expenditure attributable to the intangible asset is measurable.

Property, plant and equipment
Property, plant and equipment is stated at cost, or deemed cost, less accumulated depreciation and any recognised impairment loss. Cost includes the purchase price and all directly attributable costs. Depreciation is provided once assets are available for use at the following annual rates in order to write off each asset over its estimated useful life:

Plant and equipment	–	2 to 10 years straight line
Furniture and office equipment	–	2 to 5 years straight line
Buildings	–	25 to 50 years straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Property is depreciated and is reviewed by means of an independent property valuer on a three-year basis, unless indicators of impairment exist, in which case an independent valuation will be performed. Land is not depreciated.

Non-current assets held for sale
A non-current asset (or disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use, it is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale is considered highly probable.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount immediately before their classification as held for sale and their fair value less costs to sell. Immediately before the initial classification of an asset (or disposal group) as held for sale, the carrying amount of the asset (or all the assets and liabilities in the disposal group) shall be measured in accordance with accounting standard applicable to the asset (or the standards applicable to the respective assets and liabilities in the disposal group).

Non-current assets (or disposal groups) classified as held for sale are presented separately from other assets in the statement of financial position.

1. ACCOUNTING POLICIES (continued)

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including the Executive Directors.

Financial assets and liabilities

The Group classifies its financial assets at inception into three measurement categories; 'amortised cost', 'fair value through other comprehensive income' ("FVOCI") and 'fair value through profit and loss' ("FVTPL"). The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost. Management determines the classification of its investments at initial recognition. A financial asset or financial liability is measured initially at fair value. At inception transaction costs that are directly attributable to its acquisition or issue, for an item not at fair value through profit or loss, are added to the fair value of the financial asset and deducted from the fair value of the financial liability.

Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal payments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and maturity amount, minus any reduction for impairment

Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value of assets and liabilities in active markets are based on current bid and offer prices respectively. If the market is not active the group establishes fair value by using appropriate valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same for which market observable prices exist, net present value and discounted cash flow analysis.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the group has transferred substantially all of the risks and rewards of ownership. In a transaction in which the group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. There have not been any instances where assets have only been partly derecognised. The group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Impairment

The Group assesses at each financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence (such as significant financial difficulty of the obligor, breach of contract, or it becomes probable that debtor will enter bankruptcy), the asset is tested for impairment. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account.

1. ACCOUNTING POLICIES (continued)

Taxation

Current taxes are based on the results shown in the Financial Statements and are calculated according to local tax rules, using tax rates enacted or substantively enacted by the year-end date.

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

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

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available to utilise the difference. The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/assets are settled/recovered.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable group company; or
- different Group entities which intend either to settle current tax assets/liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled/recovered.

Foreign currencies

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which they operate (their "functional currency"). The Company and Consolidated financial statements are presented in United States Dollar (“US Dollar”, “US$”), which is the Group’s presentation currency as the Group’s activities are ultimately linked to the US Dollar. The Company’s functional currency is Pounds Sterling.

Transactions entered into by Group entities in a currency other than their functional currency are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

On consolidation, the results of overseas operations are translated into the Group’s presentation currency, US Dollars, at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve. Exchange differences recognised in the statement of comprehensive income of Group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to the foreign exchange reserve on consolidation.

1. ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal. The key US$/GBP exchange rates used to prepare the accounts were as follows: rate at 31 December 2023: 1.2734; average for year-ended 31 December 2023: 1.2438; rate at 31 December 2022: 1.2056.

Share-based payments

Where employees receive remuneration in the form of shares or share options, the fair value of the share-based employee compensation arrangement at the date of the grant is recognised as an employee benefit expense in the consolidated income statement. The total expense to be apportioned over the vesting period of the benefit is determined by reference to the fair value (excluding the effect of non-market-based vesting conditions) at the date of the grant. The assumptions underlying the number of awards expected to vest are subsequently adjusted for the effects of non-market-based vesting to reflect the conditions prevailing at the year-end date. Fair value is measured using a valuation tool (Monte Carlo or Black Scholes). The expected life used in the model has been adjusted, based on management's best estimate, for the effects of the non-transferability, exercise restrictions and behavioural considerations.

Where equity instruments are granted to persons other than employees, the consolidated income statement is charged with the fair value of goods and services received; except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Own shares held

Consideration paid/received for the purchase/sale of shares held in escrow or in trust for the benefit of employees is recognised directly in equity. The nominal value of such shares held is presented within the "own shares held" reserve. Any excess of the consideration received on the sale of the shares over the weighted average cost of the shares sold is credited to retained earnings.

Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the Group consolidated income statement.

Investment in subsidiaries

Investments in subsidiaries are stated at cost less provision for impairment in the Company financial statements.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial information in conformity with UK-adopted International Accounting Standards requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the year-end date and the reported amounts of revenues and expenses during the reporting period.

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. Management's consideration of going concern is discussed elsewhere in the accounting policies note. The other significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were as follows:

1. ACCOUNTING POLICIES (continued)

Critical accounting judgements and key sources of estimation uncertainty (continued)

Impairment of intangible fixed assets.
Intangible assets relate solely to CoalSwitch® and PeatSwitch patents, trademarks, and know-how. These have been impaired to their recoverable amount, which has been determined to be their fair value less costs to sell. Management have estimated fair value through consultation with brokers and other market participants and consider these to be Level 3 inputs as defined by IFRS 13 (and that the assets are therefore subject to management's judgement of unobservable inputs).

Share-based payments
In determining the fair value of LTIP awards and other equity settled share-based payments, and the related charge to the income statement, the Group makes assumptions about future events and market conditions. In particular, judgements must be made as to the fair value of each award granted. The fair value is determined using a valuation model which is dependent on further estimates, including the Group's future dividend policy, the timing with which options will be exercised and the future volatility in the price of the Group' shares. Such assumptions are based on publicly available information and reflect market expectations and advice taken from qualified personnel. Different assumptions about these factors could materially affect the reported value of share-based payments.

Valuation of unquoted equity investment
The other financial assets included in the Group and Company statement of financial position comprise an investment in an unquoted private company which itself holds certain illiquid, difficult to value investments that have yet to generate any return. The information available with which to estimate the fair value of this investment is limited and includes primarily the company's financial statements and the prices at which the company has raised recent equity finance. Additionally, judgement is required to estimate the discount that would be applied by a market participant to the value of the company's investment on account of it being a minority, non-controlling interest. The fair values implied by the limited information that is available are inconsistent, and highly variable, and management have therefore concluded that the most reliable estimate of the investment's value is its cost price. The investment is therefore carried at its cost price being management's best estimate of fair value.

2. SEGMENTAL INFORMATION

The Group reports two business segments:

- "CoalSwitch®" denotes the Group's renewable wood pellet business. Production activities have ceased and are reported as discontinued operations.
- "Corporate and other" denotes the Group's corporate and other costs.

The business segments are aligned to the Group's strategy as disclosed in the Strategic Report.

Factors that management used to identify the Group's reportable segments
The Group's reportable segments are strategic business units that offer different products or services.

Measurement of operating segment profit or loss
The Group evaluates segmental performance on the basis of profit or loss from operations calculated in accordance with IFRS but excluding the results from discontinued operations in accordance with IFRS 5.

2. SEGMENTAL INFORMATION (continued)

	2023 CoalSwitch® US$	2023 Corporate & Other US$	2023 Total US$
Revenue	-	-	-
Operating loss	-	(2,521,981)	(2,521,981)
Loss before tax	-	(3,833,814)	(3,833,814)
Loss for the year	-	**(3,833,814)**	**(3,833,814)**
Total Assets	**1,975,897**	**998,155**	**2,974,052**
Total Liabilities	**153,548**	**647,643**	**801,191**
Other segmental information:			
Adjustment to prior year additions to intangibles	300,000	-	300,000
Adjustment to prior year additions to PPE	100,000	-	100,000
Depreciation and amortisation	-	898	898
Impairment of intangibles	7,700,914	-	7,700,914
Impairment of PPE	3,796,184	-	3,796,184

	2022 CoalSwitch® US$	*Restated* 2022 Corporate & Other US$	*Restated* 2022 Total US$
Revenue	-	-	-
Operating loss	-	(2,178,118)	(2,178,118)
Profit before tax	-	1,114,212	1,114,212
Profit for the year	**-**	**1,114,212**	**1,114,212**
Total Assets	**13,649,225**	**3,532,030**	**17,181,255**
Total Liabilities	**640,768**	**706,692**	**1,347,460**
Other segmental information:			
Additions to Intangibles	730,213	-	730,213
Additions to PPE	231,087	-	231,087
Depreciation and amortisation	-	1,318	1,318
Impairment charges	1,000,000	-	1,000,000

The remaining assets and liabilities derived from the “Wood Processing” segment that ceased activity in 2021 have been transferred into the “Corporate and Other” segment and the 2022 segmental analysis has been restated to reflect this.

2. SEGMENTAL INFORMATION (continued)

Non-current assets are located as follows:

	2023 US$	2022 US$
United Kingdom	870,201	824,759
United States	63,670	12,836,100
	933,871	13,660,859

3. EMPLOYEE COSTS AND DIRECTORS

The following table analyses group wages and salaries before any allocations to property, plant and equipment or intangible assets.

Group	2023 US$	2022 US$
Continuing operations		
Wages and salaries	508,723	607,172
Social security costs	57,501	77,421
	566,224	684,593
Share based payments – directors	319,636	339,375
Share based payments – others	155,801	18,746
	1,041,661	1,042,714
Discontinued operations		
Wages and salaries	365,697	106,699
Social security costs	27,463	9,323
	393,160	116,022
	1,434,821	**1,158,736**

The average monthly number of employees during the year was as follows:

	2023	2022
Continuing operations		
Directors	4	5
Administration	1	2
Discontinued operations		
Management	2	-
Administration	1	-
Production	-	1
	8	**8**

3. EMPLOYEE COSTS AND DIRECTORS (continued)

Directors' and key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. These are considered to be the directors of the Company.

	2023 US$	2022 US$
Directors' emoluments	453,995	607,172
Termination benefits	-	48,726
Share based payments	319,636	339,375
	773,631	995,273

The emoluments of the highest paid Director for the year, excluding non-cash share-based payments, were $279,860 (2022: $230,104).

4. OPERATING LOSS

Group	**2023** **US$**	**2022** **US$**
The operating loss is stated after charging:		
Continuing operations		
Depreciation	898	1,318
Auditor's remuneration - parent company and consolidation	99,504	68,663
Auditor's remuneration – subsidiaries	-	34,610
Auditor's remuneration - taxation services	2,488	6,495
Auditor's remuneration - other services	5,099	2,023
Share based payments	475,437	358,121
Discontinued operations		
Impairment charges intangibles	7,573,575	-
Impairment charges PPE	3,796,184	1,000,000
Loss on disposal of fixed assets	-	455,140
Depreciation	-	18,556

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5. NET FINANCE INCOME/(COSTS)

Group	2023 US$	2022 US$
Continuing operations		
Finance income		
Interest income	24,745	28,412
	24,745	28,412
Finance costs		
Other loan interest and charges	(943)	(4,239)
	(943)	(4,239)
	23,802	**24,173**
Discontinued operations		
Finance income		
Interest income	3,981	-
	3,981	-
Finance costs		
Other loan interest and charges	(4,425)	(6,662)
	(4,425)	(6,662)
	(444)	**(6,662)**

6. TAXATION

Group	2023 US$	2022 US$
Continuing operations		
Current tax	-	-
Deferred tax	-	-
Total income tax expense	**-**	**-**
Discontinued operations		
Total income tax (credit)	(634,129)	(1,395)

Factors affecting the tax charge
The tax on the Group assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2023 US$	*Restated* 2022 US$
Loss before taxation	(16,151,825)	(1,343,745)
Standard rate of corporation tax	23.50%	19%
Loss before tax multiplied by standard rate of corporation tax	(3,795,679)	(255,312)
Effects of:		
Non-deductible expenses	2,809,395	353,486
Different tax rates in overseas jurisdictions	-	(7,519)
Tax credit included within loss from discontinued operations	634,129	1,395
Losses (used)/not recognised	352,155	(92,050)
Tax expense	**-**	**-**

The Group's tax loss position can be summarised as follows:

	2023 US$	2022 US$
Tax losses brought forward at 1 January	40,289,937	43,437,711
Taxable (profit)/loss for the year	4,196,953	(517,596)
Losses expired during year	(6,129,757)	-
Adjustment in respect of prior periods	1,506,849	(2,630,178)
Tax losses carried forward at 31 December	39,863,982	40,289,937

A deferred tax asset has not been recognised in respect of the Group's tax losses due to uncertainties around the Group's ability to utilise the losses.

7. DISCONTINUED OPERATIONS

During 2023 the Group discontinued its CoalSwitch® operations in Ashland, Maine. During 2022 the Group sold the Lumberton property that was used for its wood processing operations. The results of these businesses are disclosed as a single line item in the Consolidated Statement of Income in accordance with IFRS5. The analysis between continuing and discontinued operations is as follows:

Year ended 31 December 2023	Continuing operations US$	Discontinued operations US$	Total US$
Revenue	**-**	**-**	**-**
Impairment charges	-	(11,497,099)	(11,497,099)
Administrative expenses	(2,521,981)	(816,429)	(3,338,410)
Loss on disposal of PPE	-	-	-
Other income	-	-	-
Operating loss	(2,521,981)	(12,313,528)	(14,835,509)
Finance income/(costs)	(1,311,833)	(4,483)	(1,316,316)
Loss before taxation	(3,833,814)	(12,318,011)	(16,151,825)
Taxation	-	634,129	634,129
Loss for the year	**(3,833,814)**	**(11,683,882)**	**(15,517,696)**
Cash outflows from operating activities	(2,463,338)	217,998	(2,245,340)
Cash inflows from investing activities	-	-	-
Cash outflows from financing activities	(13,245)	(5,736)	(18,981)

Year ended 31 December 2022	*Restated* Continuing operations US$	*Restated* Discontinued operations US$	Total US$
Impairment charges	-	(1,000,000)	(1,000,000)
Administrative expenses	(2,178,118)	(1,013,258)	(3,191,376)
Loss on disposal of PPE	-	(455,140)	(455,140)
Other income	-	14,689	14,689
Operating loss	(2,178,118)	(2,453,709)	(4,631,827)
Finance income/(costs)	3,292,330	(5,643)	3,286,687
Profit/(Loss) before taxation	1,114,212	(2,459,352)	(1,345,140)
Taxation	-	1,395	1,395
Profit/Loss for the year	**1,114,212**	**(2,457,957)**	**(1,343,745)**
Cash outflows from operating activities	(711,370)	(1,843,193)	(2,554,563)
Cash outflows from investing activities	-	3,037,257	3,037,257
Cash inflows from financing activities	(13,174)	(478)	(13,652)

8. (LOSS)/PROFIT PER SHARE

	2023 US$	*Restated* 2022 US$
(Loss)/profit for the year:		
Continuing operations	(3,833,814)	1,114,212
Discontinued operations	(11,683,882)	(2,457,957)
Total operations	**(15,517,696)**	**(1,343,745)**
Weighted number of Ordinary Shares in issue	161,863,136	161,863,136
Basic and diluted (loss)/profit per share (US cents):		
Continuing operations	(2.37)	0.69
Discontinued operations	(7.22)	(1.52)
Total operations	**(9.59)**	**(0.83)**

The share options set out in note 21 are not dilutive in relation to the restated profit per share on continuing operations for the year ended 31 December 2022 because the Company's average share price for the year did not exceed the exercise price of any of the share options in issue. The share options are anti-dilutive in relation to all the loss per share measures presented for the years ended 31 December 2023 and 31 December 2022 because their inclusion would decrease the loss per share in each case.

On 4 July 2022 the Company's Ordinary Shares were consolidated on a 1 for 35 basis and the weighted average number of shares in issue in 2022 has been adjusted to reflect this. Loss per share for 2022 has been restated to reflect the 2023 split of continued/discontinued operations.

9. INTANGIBLE ASSETS

Group	**Intellectual property US$**	**Total US$**
Cost		
At 31 December 2021	**5,659,386**	**5,659,386**
Additions	730,213	730,213
Transferred from PPE	1,675,348	1,675,348
At 31 December 2022	**8,064,947**	**8,064,947**
Adjustment to prior year additions	(300,000)	(300,000)
At 31 December 2023	**7,764,947**	**7,764,947**
Accumulated amortisation		
At 31 December 2021	362	362
At 31 December 2022	**362**	**362**
Impairment of intangibles	7,700,915	7,700,915
At 31 December 2023	**7,701,277**	**7,701,277**
Net book value		
At 31 December 2023	**63,670**	**63,670**
At 31 December 2022	8,064,585	8,064,585

9. INTANGIBLE ASSETS (continued)

The adjustment to additions in 2023 results from further information becoming available in relation to the cost of the 2022 additions, subsequent to the approval of the 2022 financial statements.

Intellectual property

Intellectual property comprises costs incurred to secure the rights and knowledge associated with the CoalSwitch® and PeatSwitch technologies. These assets are accounted for as indefinite life assets and assessed for impairment at each balance sheet date. These have been impaired to their recoverable amount, which has been determined to be their fair value less costs to sell. The key assumption in estimating the recoverable amount is considered to be the estimated selling price of the intellectual property assets.

10. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings US$	Plant and equipment US$	Furniture and office equipment US$	Total US$
Cost				
At 31 December 2021	4,492,049	9,318,697	13,170	13,823,916
Additions	-	375,357	-	375,357
Disposals	(4,492,049)	(247,192)	-	(4,739,241)
Transferred to intangible assets	-	(1,675,348)	-	(1,675,348)
Foreign exchange movements	-	-	(1,405)	(1,405)
At 31 December 2022	**-**	**7,771,514**	**11,765**	**7,783,279**
Adjustment to prior year additions	-	(100,000)	-	(100,000)
Transfer to non- current asset held for sale		(7,671,514)	-	(7,671,514)
Foreign exchange movements	-	-	660	660
At 31 December 2023	**-**	**-**	**12,425**	**12,425**

10. PROPERTY, PLANT AND EQUIPMENT (continued)

Group

	Land and Buildings US$	Plant and equipment US$	Furniture and office equipment US$	Total US$
Accumulated depreciation				
At 31 December 2021	198,000	2,102,366	10,597	2,310,963
Depreciation for the year	18,000	556	1,318	19,874
Impairment charge	-	1,000,000	-	1,000,000
Disposals	(216,000)	(102,922)	-	(318,922)
Foreign exchange movements	-	-	(1,166)	(1,166)
At 31 December 2022	**-**	**3,000,000**	**10,749**	**3,010,749**
Charge for the year	-	-	898	898
Impairment charge	-	3,796,184	-	3,796,184
Transfer to non-current asset held for sale		(6,796,184)	-	(6,796,184)
Foreign exchange movements	-	-	624	624
At 31 December 2023	**-**	**-**	**12,271**	**12,271**
Net book value				
At 31 December 2023	**-**	**-**	**154**	**154**
At 31 December 2022	-	4,771,514	1,016	4,772,530

The additions to plant and equipment in 2022 represent expenditure on assets under construction. The adjustment to additions in 2023 results from further information becoming available in relation to the cost of the 2022 additions, subsequent to the approval of the 2022 financial statements.

The plant and equipment has been impaired to its recoverable amount which has been determined to be its fair value less costs to sell. This valuation has been based on the amounts realised for these assets subsequent to the end of the accounting period. The 2022 impairment charge of $1,000,000 related to a reactor that has been taken out of service and was being used for research and development purposes.

Company – office equipment

	2023 US$	2022 US$
Cost		
At 1 January	11,763	13,170
Foreign exchange movements	660	(1,407)
At 31 December	**12,423**	**11,763**
Accumulated depreciation		
At 1 January	10,748	10,597
Charge for the year	898	1,318
Foreign exchange movements	623	(1,167)
At 31 December	**12,269**	**10,748**
Net book value	**154**	**1,015**

11. INVESTMENTS IN SUBSIDIARIES

	2023	2022
	US$	US$
Cost		
At 1 January	10,319,729	11,554,112
Disposals	(4,732,881)	-
Foreign exchange movements	467,464	(1,234,383)
At 31 December	**6,054,312**	**10,319,729**
Impairment provision		
At 1 January	4,587,626	5,136,371
Charge for the year	5,913,580	-
On disposals	(4,732,881)	-
Foreign exchange movements	285,987	(548,745)
At 31 December	**6,054,312**	**4,587,626**
Net book value	**-**	**5,732,103**

At the balance sheet date the Group held share capital and had a controlling interest in each of the following companies:

Subsidiary undertaking	**Country of incorporation**	**Nature of business**	**Percentage Holding**		**Dissolution Date**
			2023	**2022**	
Advanced Biomass Solutions Limited	United Kingdom	Biomass for energy development	100	100	-
Lumberton Energy Holdings LLC	United States	Property Holding Company	100	100	19 April 2024
Active Energy Renewable Power LLC	United States	Biomass for energy development	100	100	22 April 2024
CSW2Maine LLC	United States	Biomass for energy development	-	100	21 August 2023
AEG Trading Limited	United Kingdom	Wood chip distribution	-	100	24 January 2023
Timberlands International Limited	United Kingdom	Biomass for energy development	-	100	24 January 2023

Advanced Biomass Solutions Limited was placed into a members' voluntary liquidation on 22 July 2024.

The following companies, which were all wholly owned by the group, were dissolved during 2022:

Timberlands Newfoundland & Labrador, Inc. (United States)
Nikofeso Holdings Limited (Cyprus)
Renewable Energy Systems (United States)
Active Energy Services UK Limited (United Kingdom)

12. INTERCOMPANY LOANS

	Group 2023 US$	Group 2022 US$	Company 2023 US$	Company 2022 US$
Carrying value at beginning of the year	-	-	21,444,342	25,296,460
Impairment of investments in subsidiaries	-	-	(19,454,760)	-
Loans received during the year	-	-	-	(1,150,373)
Foreign exchange movements	-	-	139,451	(2,701,745)
Carrying value at end of the year	-	-	2,129,033	21,444,342

Intercompany loans are loans made to subsidiaries of the Company and are repayable on demand. In 2023 they have been classified as current asset as they were expected to be paid within the next 12 months (2022: classified as non-current asset as they were expected to be paid after 12 months).

13. OTHER FINANCIAL ASSETS

	Group 2023 US$	Group 2022 US$	Company 2023 US$	Company 2022 US$
Fair value at beginning of the year	823,744	922,275	823,744	922,275
Foreign exchange movements	46,303	(98,531)	46,303	(98,531)
Fair value at end of the year	870,047	823,744	870,047	823,744

Other financial assets consist of an unquoted equity instrument which is valued at fair value through other comprehensive income and classified as a non-current asset. The instrument is denominated in Pounds Sterling.

This asset is valued according to Level 3 inputs as defined by IFRS 13 and is therefore subject to management's judgement of unobservable inputs. The asset is currently held at its historic cost which represents management's best estimate of its fair value.

14. TRADE AND OTHER RECEIVABLES

The carrying value of trade and other receivables, after deduction of appropriate allowances for irrecoverable amounts, approximates to their fair value. These assets are not interest bearing and are received over a short period of time with an insignificant risk of changes in fair value.

	Group 2023 US$	Group 2022 US$	Company 2023 US$	Company 2022 US$
Project advances	774,669	774,669	-	-
Prepayments	38,041	73,461	38,041	73,461
Other receivables	33,004	57,794	20,982	57,736
Total	845,714	905,924	59,023	131,197

Trade and other receivables that have not been received within the payment terms are classified as overdue. There were no trade and other receivables overdue at 31 December 2023 or 31 December 2022 and accordingly there were no impairment provisions at either date. An analysis of the Group's trade and other receivables by currency is provided in note 24.

15. CASH AND CASH EQUIVALENTS

	Group 2023 US$	Group 2022 US$	Company 2023 US$	Company 2022 US$
Cash at bank	319,137	2,614,472	38,445	2,545,913

Cash and cash equivalents are defined as cash at bank, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

16. NON-CURRENT ASSETS HELD FOR SALE

The non-current assets classified as held for sale during the year comprise plant and equipment at the CoalSwitch® production facility that was under construction in Ashland, Maine following the termination of the Group's relationship with Player Design, Inc. (see note 27).

These assets were previously held as property, plant and equipment and were impaired to their fair value less costs to sell immediately before reclassification as non-current assets held for sale, with an impairment charge of $3,796,184 recognised in the income statement within the loss from discontinued operations. The assets were sold in March 2024 for consideration that was approximately equal to their carrying values at the balance sheet date.

These non-current assets are presented within the CoalSwitch® operating segment.

17. TRADE AND OTHER PAYABLES

	Group 2023 US$	Group 2022 US$	Company 2023 US$	Company 2022 US$
Trade payables	381,926	428,106	238,385	170,975
Accruals and deferred income	268,727	587,106	234,305	145,696
Social security and other taxes	14,911	34,584	14,911	34,584
Other payables	-	150,000	-	-
	665,564	1,199,796	487,601	351,255

The carrying value of trade and other payables approximates to their fair value. Payments occur over a short period and the risk of changes in value is insignificant. The full balance of the trade and other payables becomes due and payable within three months of the reporting date. These are classified as financial liabilities on the balance sheet and are measured at amortised cost.

The amounts shown are undiscounted and represent the contractual cash flows. An analysis of the Group's trade and other payables classified as financial liabilities by currency is provided in note 24.

18. LOANS AND BORROWINGS

The book value and fair value of loans and borrowings are as follows:

Group	Book value 2023 US$	Fair value 2023 US$	Book value 2022 US$	Fair value 2022 US$
Non-Current				
Other loans	120,846	120,846	133,940	133,940
Current				
Other loans	14,781	14,781	13,724	13,724
Total loans and borrowings	**135,627**	**135,627**	**147,664**	**147,664**

Company	Book value 2023 US$	Fair value 2023 US$	Book value 2022 US$	Fair value 2022 US$
Non-Current				
Other loans	18,864	18,864	30,085	30,085
Current				
Other loans	12,908	12,908	11,920	11,920
Total loans and borrowings	**31,772**	**31,772**	**42,005**	**42,005**

Other loans

Other loans comprise a bank loan to the Company guaranteed by the UK government and a loan to a subsidiary from the US government. The loans are repayable over 5 and 30 years respectively, with interest rates of 2.5% p.a. and 3.75% p.a. respectively. The US government loan is secured against the assets of the subsidiary by way of a floating charge.

19. CALLED UP SHARE CAPITAL

	2023 Number	2023 US$	2022 Number	2022 US$
Ordinary shares				
At 1 January	161,863,136	786,867	5,665,209,745	786,867
Issue of shares	-	-	15	-
Share consolidation	-	-	(5,503,346,624)	-
31 December	**161,863,136**	**786,867**	**161,863,136**	**786,867**
Deferred shares of £0.0099 each				
At 1 January	1,287,536,163	18,148,898	1,287,536,163	18,148,898
At 31 December	**1,287,536,163**	**18,148,898**	**1,287,536,163**	**18,148,898**
Total share capital		**18,935,765**		**18,935,765**

All shares have been allotted, called up and fully paid. The Ordinary Shares of £0.0001 each were consolidated into Ordinary Shares of £0.0035 each on 4 July 2022 (see below).

At the Company's Annual General Meeting on 4 July 2022, shareholders approved a 1 for 35 share consolidation of the Company's Ordinary Shares. Following the share consolidation, the Company had 161,863,136 Ordinary Shares of £0.0035 each.

The Deferred Shares have not been admitted to trading on the Alternative Investment Market, carry no voting rights and are purchasable for an aggregate sum of £1.

The Ordinary Shares were suspended from trading on AIM on 1 July 2024 and will remain suspended, pursuant to AIM Rule 19, until the Company has published its annual report and accounts for the year ended 31 December 2023 and its interim report and accounts for the six months ended 30 June 2024.

20. CONTINGENT LIABILITIES

The Group has received legal claims from former subcontractors in the USA in respect of alleged unpaid remuneration. The Group disputes these claims and is advised that they are unlikely to be successful, and the Board therefore does not consider it likely that any payment will be required to settle the claims. The Board's best estimate of the cost to the Group, were these claims to be successful, is $360,653. No provision has been made for this sum in these financial statements.

21. SHARE OPTIONS AND WARRANTS

On 4 July 2022 the Company's Ordinary Shares were consolidated on a 1 for 35 basis and corresponding adjustments have been made to the number and exercise price of the share options and warrants in issue to reflect this.

From time to time the Company has entered into share option and warrant arrangements under which the holders are entitled to subscribe for a percentage of the Company's Ordinary Share capital. Options under the LTIP and JSOP are detailed below. All other options and warrants vest immediately. The number of warrants and share options exercisable at 31 December 2023 was 2,699,336 (2022: 5,768,463). During the year 598,571 (2022: 714,286) options and warrants expired.

The movements of warrants and share options during the year was as follows:

	2023 Weighted Average Exercise Price (British pence)	2023 Number of Warrants and Share Options	2022 Weighted Average Exercise Price (British pence)	2022 Number of Warrants and Share Options
At 1 January	112.68	5,768,463	103.95	6,482,749
Expired	86.21	(598,571)	35.00	(714,286)
Granted	9.83	8,283,840	-	-
At 31 December	**50.53**	**13,453,732**	**112.68**	**5,768,463**

At 31 December 2023, the weighted average remaining contractual life of warrants and share options exercisable was 7.42 years (2022: 4.95 years). There were 8,283,840 share options issued under the LTIP during 2023 (2022: none issued). No warrants were issued in 2023 or 2022. The weighted average exercise price of the options and warrants granted in 2023 was 9.83 pence (none issued in 2022).

A charge of $475,437 (2022: $358,121) has been recognised in the Statement of Comprehensive Income in respect of equity settled share based payments.

21. SHARE OPTIONS AND WARRANTS (continued)

Options and warrants outstanding at 31 December 2023 and 2022 were exercisable as follows:

Exercise price (British pence)	2023 Number	2022 Number
8.30p	3,594,470	-
10.00p	2,344,685	-
12.00p	2,344,685	-
17.50p	428,571	428,571
45.15p	609,081	609,081
52.50p	-	214,286
67.73p	304,540	304,540
70.44p	1,235,278	1,235,278
105.00p	-	384,287
123.27p	1,235,278	1,235,278
157.50p	585,714	585,714
175.00p	57,143	57,143
210.00p	128,571	128,571
297.50p	585,714	585,714
At 31 December	**13,453,730**	**5,768,463**

The above disclosures relate to both the Company and the Group.

LTIP awards

In February 2021, the Company implemented its Long Term Incentive Plan ("LTIP") to incentivise the Company's Executive Directors, certain other Directors, and members of the Senior Management team.

Awards under the LTIP take the form of premium priced options over the Company's Ordinary Shares which are exercisable on various dates up to the third anniversary of the date of grant (subject to several market standard specific exceptions). LTIP options have an expiry date of ten years from the award date.

The Group measures the fair value of LTIP awards using the Black Scholes valuation model. The share-based payment expense is recorded over the vesting period of the option if the option is expected to vest. Share based payment expenses are recognised in the income statement in accordance with the provisions of IFRS2.

The inputs to the Black Scholes model for the valuation of the options issued during 2023 were:

Share price on date of grant:	6.15p
Exercise price:	8.30p, 10.00p and 12.00p
Expected volatility (of share price):	99.66%
Option life:	10 years
Risk free interest rate:	4.55%

Expected volatility was determined based on historic volatility over the three year period prior to the grant date of the option.

21. SHARE OPTIONS AND WARRANTS (continued)

At the inception of the plan, options over 2,470,556 shares were granted to directors and other participants. Further options were granted in July 2023 over 8,283,840 shares.

JSOP awards

Under the Joint Share Ownership Plan ("JSOP"), shares in the Company were jointly purchased at fair market value by the sole participating employee and the trustees of the JSOP Trust, with such shares held in the JSOP Trust. For accounting purposes, the awards are valued as employee share options. There is only one participant in the JSOP and the Company no longer utilises the JSOP to incentivise employees.

The company awarded JSOP shares in 2013 and has made no further awards since. The JSOP share based payment charge was expensed during the vesting period and there was no associated share based payment charge in 2023 or 2022. At 31 December 2023 and 31 December 2022 there were 400,000 fully vested shares held in the JSOP Trust. No JSOP shares were sold during either year.

The JSOP trust holds the shares of the JSOP until such time as the JSOP shares are vested and the participating employee exercises their rights under the JSOP. The JSOP trust is granted an interest bearing loan by the Company in order to fund the purchase of its interest in the JSOP shares. The loan held by the trust is eliminated on consolidation in the financial statements of the Group. The Company funded portion of the share purchase price is deemed to be held in treasury until such time as the shares are transferred to the employee and is recorded as a reduction in equity in both the Group and Company financial statements.

22. RESERVES

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share premium	Amounts subscribed for share capital in excess of nominal value.
Merger reserve	Difference between fair value and nominal value of shares issued to acquire interests of more than 90% in subsidiaries.
Foreign exchange reserve	Gains and losses arising from retranslating the net assets of overseas operations into US Dollars.
Own shares held reserve	Cost of own shares held by the employee benefit trust, the JSOP trust or the company as shares held in escrow.
Convertible debt/warrant reserve	Equity component of the convertible loan and warrants issued that do not form part of a share based payment.
Retained earnings	Cumulative net gains and losses recognised in the consolidated statement of comprehensive income.

23. NOTE SUPPORTING THE STATEMENT OF CASH FLOWS

Reconciliation of loss before taxation to cash outflows from operating activities:

Group	**2023**	**2022**
	US$	**US$**
Loss for the year	(15,517,696)	(1,343,745)
Adjustments for:		
Share based payment expense	475,437	358,121
Depreciation	898	19,874
Impairment of PPE and intangible assets	11,497,099	1,000,000
Adjustments to PPE and intangible asset additions	400,000	-
Loss on disposal of PPE	-	212,626
Foreign currency translations	1,368,070	(3,456,479)
Finance expenses	4,874	9,473
Income tax	(634,129)	(1,395)
	(2,405,447)	**(3,201,525)**
Decrease in inventories	-	27,250
Decrease in trade and other receivables	60,210	641,946
(Decrease) in trade and other payables	(534,232)	(22,234)
Net cash (outflow) from operating activities	**(2,879,469)**	**(2,554,563)**

23. NOTE SUPPORTING THE STATEMENT OF CASH FLOWS (continued)

Company	**2023**	**2022**
	US$	**US$**
Loss for the year	(29,202,154)	(740,114)
Adjustments for:		
Share based payment expense	475,437	358,121
Depreciation	898	1,318
Impairment of investments	5,913,580	-
Impairment of intercompany loans	19,454,760	-
Foreign currency translations	684,678	(381,967)
Finance expenses	943	5,474
	(2,671,858)	(757,168)
Decrease in trade and other receivables	72,174	300,844
Increase/(decrease) in trade and other payables	136,346	(255,046)
Net cash (outflow) from operating activities	**(2,463,338)**	**(711,370)**

Cash to net debt reconciliation:

	Group 2023 US$	**Group 2022 US$**	**Company 2023 US$**	**Company 2022 US$**
Cash and cash equivalents	319,137	2,614,472	38,445	2,545,913
Borrowings	(135,627)	(147,664)	(31,772)	(42,005)
Net Cash/(debt)	**183,510**	**2,466,808**	**6,673**	**2,503,908**
Cash and liquid investments	319,137	2,614,472	38,445	2,545,913
Fixed rate instruments	(135,627)	(147,664)	(31,772)	(42,005)
Net Cash/(debt)	**183,510**	**2,466,808**	**6,673**	**2,503,908**

Net Debt Reconciliation:

Group	**Cash and cash equivalents US$**	**Unsecured loans US$**	**Total Debt US$**	**Net Cash US$**
Net cash/(debt) at 1 January 2023	**2,614,472**	**(147,664)**	**(147,664)**	**2,466,808**
Cash flows	(2,264,321)	18,981	18,981	(2,245,340)
Foreign exchange movements	(31,014)	(6,944)	(6,944)	(37,958)
Net cash/(debt) at 31 December 2023	**319,137**	**(135,627)**	**(135,627)**	**183,510**

23. NOTE SUPPORTING THE STATEMENT OF CASH FLOWS (continued)

Net Debt Reconciliation:
Company

	Cash and cash equivalents US$	Unsecured loans US$	Total Debt US$	Net Cash US$
Net cash/(debt) at 1 January 2023	**2,545,913**	**(42,005)**	**(42,005)**	**2,503,908**
Cashflows	(2,476,583)	12,302	12,302	(2,464,281)
Foreign exchange movements	(30,885)	(2,069)	(2,069)	(32,954)
Net cash/(debt) at 31 December 2023	**38,445**	**(31,772)**	**(31,772)**	**6,673**

24. FINANCIAL INSTRUMENTS

The Group's treasury policy is to avoid transactions of a speculative nature. In the course of trading the Group is exposed to a number of financial risks that can be categorised as market, credit, and liquidity risks. The board reviews these risks and their impact on the activities of the Group on an ongoing basis.

The principal financial instruments used by the Group, from which financial instrument risk arises, are:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Equity investments
- Loans and borrowings

A summary of the financial instruments held is provided below.

Financial assets	**Group 2023 US$**	**Group 2022 US$**	**Company 2023 US$**	**Company 2022 US$**
At amortised cost:				
Cash and cash equivalents	319,137	2,614,472	38,445	2,545,913
Amounts due from group companies	-	-	2,129,033	21,444,342
Other receivables	-	38,366	-	38,308
	319,137	2,652,838	2,167,478	24,028,563
At fair value:				
Financial investments	870,047	823,744	870,047	823,744
Total financial assets	**1,189,184**	**3,476,582**	**3,037,525**	**24,852,307**

24. FINANCIAL INSTRUMENTS (continued)

Financial liabilities	**Group 2023 US$**	**Group 2022 US$**	**Company 2023 US$**	**Company 2022 US$**
At amortised cost:				
Trade payables	381,926	428,106	238,385	170,975
Other current liabilities	268,727	737,107	234,305	145,696
Loans and Borrowings	135,627	147,664	31,772	42,005
Total financial liabilities	**786,280**	**1,312,877**	**504,462**	**358,676**

Fair value measurement

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted)
Level 2: Observable direct or indirect inputs other than Level 1 inputs
Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item.

Transfers of items between levels are recognised in the period they occur.

Market Risk

Currency risk

The Group's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or interest rate risks. The Group is exposed to transactional foreign exchange risk and takes profits and losses as they arise as, in the opinion of the directors, the cost of hedging against fluctuations would be greater than the potential benefits.

The Group's cash and cash equivalents are denominated in the following currencies:

	Group 2023 US$	**Group 2022 US$**	**Company 2023 US$**	**Company 2022 US$**
US Dollars	62,134	2,062,984	31,242	1,996,724
UK Pounds Sterling	257,003	551,456	7,203	549,157
Euros	-	32	-	32
	319,137	**2,614,472**	**38,445**	**2,545,913**

The Group's trade and other receivables are denominated in the following currencies:

	Group 2023 US$	**Group 2022 US$**	**Company 2023 US$**	**Company 2022 US$**
US Dollars	786,691	774,727	-	-
UK Pounds Sterling	59,023	131,197	59,023	131,197
	845,714	**905,924**	**59,023**	**131,197**

24. FINANCIAL INSTRUMENTS (continued)

The Group's trade and other payables are denominated in the following currencies:

	Group 2023 US$	Group 2022 US$	Company 2023 US$	Company 2022 US$
US Dollars	177,965	848,541	-	-
UK Pounds Sterling	487,601	351,255	487,601	351,255
	665,566	**1,199,796**	**487,601**	**351,255**

The effect of a 5 per cent strengthening of the US Dollar at the reporting date on the foreign currency denominated net financial instruments carried at that date would, all other variables held constant, have been an increase in net assets of $8,171 (2022: $15,782 reduction in net assets). A 5 per cent weakening of the US Dollar would, on the same basis, have decreased net assets by the same amount.

Interest rate risk

The Group and Company finance their operations through a mixture of equity and loans. The remaining debt consists of government issued or guaranteed debt with fixed rates of interest.

Credit risk

Operational

The Group did not generate any revenue during the period and its exposure to credit risk is therefore limited. The Group does not enter into derivative contracts to manage credit risk. Further information on trade and other receivables is presented in note 14.

Financial

Financial risk relates to non-performance by banks in respect of cash deposits and is mitigated by the selection of institutions with a strong credit rating.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and payments to its suppliers. Without revenue generating activities the Group has inherent liquidity risk and there is a risk that the Group will encounter difficulties during this period in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they fall due. The Group finances itself through a mix of equity and debt instruments. The Group's objective is to ensure sufficient liquidity is available to meet foreseeable needs through the preparation of short and long term forecasts. Further details of the Directors' going concern assessment are set out in note 1.

The Group had loans of $135,627 at 31 December 2023 (2022: $147,664). No personal guarantees were in place.

Capital risk management

The Group's objective when managing capital is to establish and maintain a capital structure that safeguards the Group as a going concern and provides a return to shareholders.

25. RELATED PARTY DISCLOSURES

As at 31 December 2023 all fees complied with directors' contractual obligations and were paid up to date. Details of directors' remuneration are set out in the Directors' report.

In 2023 there were related party transactions with Zimmfor Management Services Limited and Jason Zimmermann for $43,533 in respect of directors' fees. (2022: $nil)

The Group paid $nil (2022: $53,539) to INJ London Limited for sales and marketing services. This company is owned by Max Aitken, who was a director of the Company.

Transactions between the Company and its subsidiaries have been eliminated on consolidation. These transactions, which were incurred in the ordinary course of business and under normal commercial terms, were as follows:

	2023 US$	2022 US$
Allocation of management time and expenses	-	65,826

The Company's intercompany receivable balances at the year end were as follows:

	2023 US$	2022 US$
Amounts due from Group companies	2,129,033	21,444,342

26. CAPITAL COMMITMENTS

The Group had no capital commitments at 31 December 2023 or 31 December 2022.

27. SUBSEQUENT EVENTS

On 4 March 2024 the Group agreed a settlement with Player Design, Inc. and its connected parties ("PDI") in relation to the Group's aborted operations in Ashland, Maine. Under this settlement the Group received cash of $1,650,000 which represented consideration for the transfer of certain property, plant and equipment to PDI (classified as *non-current assets held for sale* in these financial statements), the return of certain cash advances made by the Group to PDI for the development of the Ashland facility and the settlement of all claims between the Group and PDI. The 31 December 2023 fair value of the non-current assets held for sale has been determined based on the consideration ultimately received for them under the settlement with PDI.

The Company's shares were suspended from trading on AIM on 1 July 2024 and will remain suspended, pursuant to AIM Rule 19, until the Company has published its annual report and accounts for the year ended 31 December 2023 and its interim report and accounts for the six months ended 30 June 2024.

On 22 July 2024 the Group placed its subsidiary Advanced Biomass Solutions Limited into a members' voluntary liquidation. The Group expects the company to realise its assets and settle its liabilities at amounts approximate to their carrying values.

27. SUBSEQUENT EVENTS (continued)

In October 2024 the Company raised £200,000 ($260,878) through the issue of loan notes, of which £27,616 ($36,022) are convertible loan notes that will convert to new ordinary shares representing 29.9% of the Company's issued share capital on 31 December 2024 (subject to shareholder approval). The loan notes are secured by way of a fixed and floating charge over the assets of the Company.

On 1 November 2024 Jason Zimmermann and Max Aitken resigned as directors of the Company.

28. ULTIMATE CONTROLLING PARTY

The company has no overall controlling party.