Plutus Powergen PLC

Company Registration No. 05859612

Annual Report and Financial Statements

30 April 2018

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Company Information

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05859612 (England and Wales)

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

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

2018 Highlights

This has been a year of executing our business plan and building out our co-owned FlexGen investments, particularly with regard to our six 44.5% owned FlexGen sites

- **Continued focus on the development, construction and operation of flexible power generation facilities in the UK to mitigate the current and forecast risk of an energy deficit**
- **Commissioned and successfully operating 120MW comprising six 20MW sites**
- **All six sites hit the TRIADs available to them and generated good cash flow to assist in paying down development debt**
- **Strategic shift to the development of higher margin gas operations – substantial pipeline, potentially more than 300MW, from relationship with Reliance Energy**
- **40MW of potential gas sites under site assembly in-house with a view to entering planning in the next few months**
- **Relative economic certainty achieved post Ofgem and other governmental reviews enabling positive dialogue with potential funders for the gas sites**
- **Agreement with Rockpool post year end to develop one gas site in Medway to be shared between the remaining three co-investment companies – circa £12.5 million total investment**

Chairman's Statement

Year to 30 April 2018

This has been a year of executing our business plan and building up our co-owned FlexGen investments, particularly regarding our six 44.5% owned FlexGen sites.

We remain positive as the market in which we operate has relative certainty for the future which enables us to plan and seek investment in a more stable environment.

Phil Stephens

It was with great sadness for all the board and everybody who knew him, his family, friends and colleagues, that we announced our late CEO, Phil Stephens, passed away this summer. He made an enormous contribution to the success of our company and with his quiet charm and ready smile, he turned his hand and intellect to all matters to do with the day-to-day operations of the Company and its investments. He was pivotal in all our dealings with DEFRA, OFGEM and the subsequent Judicial Review. Phil's contribution to discussions with financiers and his contribution at board meetings will be greatly missed. His strength of character and strong intellect has guided the Company through some difficult waters to achieve what it has today. This includes six successfully operating FlexGen sites comprising of 120MW with over £35 million of equity funding and debt funding from Lombard and Rockpool Investments LLP with one gas site with Rockpool to commence development shortly. Phil has left the Company in a strong position to continue his legacy.

Key areas of focus

We currently have six 20MW FlexGen sites successfully operating with our investment partner, Rockpool. All six sites hit the TRIADs available to them during the winter period and the revenue from that alone, of around £5 million, will be used to pay down construction debt and ultimately enhance the value attributable to shareholders when the sites are eventually sold. Our primary operational focus has therefore been on the continued execution and delivery of these six sites in which we have an economic interest of circa 44.5% each. This winter, following OFGEM's review of TRIADs, we will achieve 66% of last year's income into each investment. This is assuming we hit all the TRIADs, which will again be applied to paying down the development debt of each company. Each company will also continue to generate revenue from the sale of electrons, as income from STOR (Standby Operating Reserve), FFR (Firm Frequency Response), FR (Fast Response) and CM (Capacity Mechanism) which are applied for each year on an annual basis until the 15-year index linked contract commences for each site.

If we were permitted, under accounting rules, to include our share of the nine companies co-owned with Rockpool, our net assets would be at least £12.5 million greater than disclosed in the balance sheet. Our share of the profit, as well as loss from the six operating sites, would have added £3.041 million to our turnover and £1.622 million to our income statement.

The Group is now concentrating on the development of gas fuelled power generation. The management team has been working to develop and progress a pipeline of gas-powered sites in which we intend to hold a majority stake, and therefore be permitted to consolidate the income statement and balance sheet into our accounts, providing more visibility of our operations. Typically, a gas site will cost around £12.5 million and it is likely to be operating for between 1500-2500 hours per annum and will normally operate in peak hours and when it is profitable to do so.

Chairman's Statement (Continued)

Strategy and financing

With respect to the FlexGen sites, our strategy is, alongside Rockpool, to either sell these or to make an offer for the 55.5% we do not already own, or a combination thereof. The sales process has not yet started but is likely to do so during 2019.

During the year we have received an offer, subject to contract, from an EPC (Engineering, Procurement and Construction) provider for mezzanine loan finance of up to 10% of the capital costs per gas-peaker site. We have also received non-binding indicative terms from an asset finance institution for an initial £25 million. Currently, we are in advanced discussions with various finance providers to provide a suite of financial facilities for the proposed gas sites, which will enable us to enjoy an equity majority of each site developed whilst maintaining our policy of limiting dilution to shareholders as far as possible.

The board has put on hold the Company's earlier planned £50 million bond raise because of the obligation for potential gas site portfolio funding partners to take a first charge against the Company and its assets.

Dividend

We do not propose to pay a dividend for the foreseeable future as we plan to reinvest all internally generated funds.

Outlook

I would like to thank our staff and Directors for their valued efforts, as well as our partners and advisors who provide invaluable support in developing our operations. We have a robust pipeline, with 40MW being developed in-house and expected to enter planning in the next few months. We have 20MW about to commence development with Rockpool and a total gas pipeline at various stages of development of around 300MW. We are making good progress with financing, as reported above, and we look forward to securing sufficient finance to commence building up our gas sites in the coming few months, on which we will update shareholders accordingly. Therefore, we look forward with increased confidence and certainty in the markets in which we operate.

Charles Tatnall

Executive Chairman

8 October 2018

Strategic Report

Chief Executive's Review

I write this review with great sadness following the death of our late CEO, Phil Stephens, in August this year. Phil leaves big shoes to fill and he is sadly missed by all the members of the board. At this stage, no decision has been made on a permanent replacement and so I shall carry out the role for the time being.

We are currently concentrating on the funding and development of gas sites. Given that the regulatory climate to raise the finance is now more certain, we hope to expedite this strategy.

Whilst a great deal of work has been going on behind the scenes, there has not been much which we could meaningfully report to shareholders during the period. However, I have detailed below what has been happening during the past 12 months and our future plans.

Operations

The year ended 30 April 2018 has been a challenging one, not least because of the DEFRA, OFGEM and other regulatory reviews, but also due to the climate these have created in our operating market over the past two years. The capacity market clearing price has fallen to a degree where it is almost negligible and no longer forms a material part of a lender's view of financial projections and income upon which they may rely on to fund the build out of projects such as ours.

OFGEM decided to enforce its decision of March 2017 to step down TRIAD payments and this was upheld in the Judicial Review which reported in June this year. No appeal is being made to this decision. Consequently, the 2017 TRIAD "season" (from 1 November to 28 February each year) was the last 100% TRIAD and this falls to 66% in winter 2018 and 33% in winter 2019. However, there are still monies to be received from "locational payments" and as we are located, and intend to locate, in the best and highest yielding locations, we expect to receive around 20% of the original TRIAD. These payments are likely to rise at or beyond inflation making it still a worthwhile but not as substantial source of revenue.

With regard to our existing operations co-invested with Rockpool, all the above has had a similar effect on revenues with the added difficulty that new emissions rules have been introduced by DEFRA via its MCPD (Medium Combustion Plant Directive) which became law in January 2018. The new regulations are expected to provide 43% of the sulphur dioxide emissions reduction, 9% of the reduction for particulate matter, and 22% of the nitrogen oxides emissions reduction needed to meet the UK's 2030 targets. Adjustments such as fitting selective catalytic reduction systems are therefore being made to our engines so that the emissions from our six plants comply with the new rules. This will cost between £300,000 to £500,000 per site, which is manageable given that each of the six companies operating the sites have sufficient cash resources to implement the changes in a timely manner. In addition to the foregoing, other changes are being considered for the existing FlexGen sites that will, if implemented, give more flexibility to their operation and further assist in reducing emissions. Such changes should also assist in enhancing the value of the sites.

Notwithstanding the environment in which we operate, the six 20MW FlexGen sites, totalling 120MW, have had a successful year to 30 April 2018, and are all profitable and hitting their TRIADs. These sites had a combined revenue of £6.835 million in the year ended 30 April 2018 and an EBITDA of £3.645 million, none of which could be consolidated

Chief Executive's Review (Continued)

into our accounts. However, we have decided not to revalue our investments at this time, ahead of changes to each site, as outlined above, that are in the process of being carried out and we feel it is appropriate that such changes are implemented or are in the course of being implemented before any revaluation of our investments takes place.

We are exploring opportunities to maximise the value of our six FlexGen sites, with a view to an eventual sale. Rockpool has agreed to purchase one gas site with planning, connections, an option to lease and Capacity Mechanism from Reliance Energy. This is likely to complete shortly at which time we will be able to commence the development of the site. The site is to be shared between the three remaining companies. Inclusive of all costs and fees, the average site costs in the region of £12.5 million to develop. Gas sites run for many more hours per annum than FlexGen sites and these "gas peakers" will sell their electricity generated on a merchant basis. Hours run vary from 1500-2500 hours per annum.

With the uncertainty in the market, it was challenging to obtain the appropriate funding for our plans for gas sites. However, with the reviews now complete, funders have been able to view the market with greater certainty and it has become apparent there is an appetite for both equity and debt. The directors have been working hard to obtain funding in order that we may commence development of our planned gas sites. We are in talks with several interested parties for equity, debt and mezzanine funding and, as reported in the Chairman's Statement, we feel that we are close to receiving formal offers.

More reliance is now placed on a strong PPA (Power Purchase Agreement). As these sites run many more hours each year and such flexible gas peakers have a considerably higher revenue and EBITDA than the FlexGen sites, each site is projected to be profitable and is expected to offer a good IRR to all providers of finance. In addition, despite all the various industry reviews, our returns are still anticipated to be in line with our previously budgeted returns, demonstrating robust IRRs for all interested parties. The loss of much of the TRIAD income is expected to be offset by firmer prices in the balancing markets. This has already been evidenced when the National Grid sought to physically balance the grid and the market for flexible power as suppliers seek to balance their retail power books and mitigate energy price volatility.

As the UK moves towards a low-carbon economy, the way the National Grid operates the electricity system as a nation is evolving; its focus is on building a smart, flexible system that makes the best use of all the energy resources available to meet its customers' needs in a balanced, efficient and economical way. To this end, last June, it launched a review of all markets that affect us, and which seek to make the balancing markets in which we compete more dynamic and closer to real-time. The results of this thorough review will have a profound effect on the markets in which we operate as we must bid for more services via auctions. Therefore, we need to have the ability to compete in as many services that may be available to us currently and with regard to the future gas pipeline. The consultations and trials will be continuing for some time yet and well into 2020.

Chief Executive's Review (Continued)

Outlook

We are in dialogue with several parties for various forms of finance. Some discussions are more advanced than others, but we have received indicative terms from two parties to date. We believe we are close to receiving further indicative term sheets and your board is working hard to convert these terms sheets into firm offers and thereafter financial close. As soon as this is achieved, we will be able to progress our plans for gas powered peaking sites and the potential profits from these sites will enable us to view the future with confidence. The ultimate sale of the legacy Rockpool interests will, if our valuations are achieved, add significantly to our cash resources and assist in developing the plan for our gas pipeline.

James Longley

Interim Chief Executive Officer

8 October 2018

Financial Review

The Group continues to be stable financially and is actively seeking to arrange suitable finance for the development of gas sites

The year ended 30 April 2018 is our third full year of operations in the business of the development and operation of flexible energy generation projects, which play a crucial role in the changing UK energy mix as renewable generation replaces carbon intensive generation. 2018 has been a year of continued progress for the Group in the execution of its business plan. Throughout the year we had nine management contracts in place with Rockpool investee companies, each generating £150,000 per annum of fee income which represented an annualised fee income of £1,350,000 for the year ended 30 April 2018.

For over a year it has been challenging to raise finance for new projects, our stated aim of developing gas sites in the future. The previous uncertainty in the market in which we operate had made it difficult to project what our future revenues, profit and loss and balance sheet could look like. The judicial review was dismissed in June this year and this was helpful in that it removed almost the last major hurdle we have to face, regulatory wise. The National Grid is reviewing the way it operates the electricity system which includes the markets that affect us, but we are of the opinion that these reviews are welcome and should be positive for us. The Company is now in active talks which are progressing well with a number of equity, mezzanine and debt providers.

In November 2017, the Company received a notice of conversion of £100,000 of the unsecured Convertible Loan Notes created by the Company on 22 December 2014. As detailed at the time, these loan notes convert at 0.8 pence per Ordinary Share and as such the Company applied for the admission of 12,500,000 new ordinary shares of 0.1p each in the capital of the Company to AIM. This halved the amount owing from £200,000 to £100,000 and the interest paid thereon.

In May 2017, a new Share Option Incentive scheme was also introduced by the Company contemporaneously with the exercise of 10,000,000 warrants each by James Longley and Charles Tatnall at 0.9p per share. The 2017 Share Option Scheme is designed to incentivise the Directors as Plutus changes direction towards gas powered and hybrid projects. The Company granted an aggregate of 60,000,000 share options with an exercise price of 1.485p pursuant to the 2017 Share Option Scheme announced in May, all vesting over three years, in equal annual instalments. 15,000,000 Options were granted to each of Paul Lazarevic, James Longley, Phil Stephens and Charles Tatnall. 10,000,000 of the options granted to Phil Stephens have now lapsed and there is now a total of 59,540,000 options in the Company outstanding, representing 8.2% of the Company's total issued share capital. During the year Charles Tatnall and James Longley received a bonus of £90,000 (2017: £nil) each which was all applied to the exercise of their 10,000,000 warrants each and was therefore cash neutral to the Company but increased the administrative expenses by £180,000. This accounted for much of the increase in administrative expenses during the year

During the year under review, revenue was stable at £1,350,000 (2017: £1,350,000) from the management contracts with the Rockpool investee companies. These fees are expected to reduce slightly in the forthcoming period as whilst the gas site to be built and operated by the remaining Rockpool investee companies is much more expensive to build than FlexGen sites, these three companies will pay a lesser management fee each. However, these are manageable, and cuts have recently been made to certain overheads which are under constant review. Plutus Energy Limited, our 100% owned operating subsidiary, will earn management fees from all future sites, including gas sites, in addition to our existing portfolio.

Administrative expenses have increased to £1,513,022 (2017: £1,261,424) but are expected to fall in 2019 resulting in operational profits close to break even. There are other operating expenses of £50,153 (2017: £236,164) in the year under review. These relate to much reduced write offs of expenses disbursed for sites not going forward for various reasons. Sites may continue to be pursued which do not go forward, but we expect to be able to minimise such write offs in the future. We are currently assembling 40MW of gas projects in house. The Group has made a loss after

Financial Review Continued

taxation of £567,183 (2017: £201,501) and consequently the basic and diluted loss per share from continuing operations was 0.08p (2017: 0.03p). Share based payments were considerably higher this year due to the new 2017 share option scheme at £289,338 (2017: £ 31,276)

Cash was £136,416 at the year-end (2017: £71,609). Trade and other payables increased to £301,452 (2017: £229,635), due largely to the increased amounts owing from reimbursables at the year end together with higher trade creditors which have since reduced to normal levels. Our ongoing overheads will be covered by management fees. Overall, the Company is in a sound position and financially and we will continue to manage cash flow, accounts receivable and accounts payable in a fair and reasonable manner within the Group resources.

Group net assets at the year-end were £966,743 (2017: £995,864), a marginal decrease over the year. The Company has put the £50 million bond on hold for the time being pending the results of discussions on financing for the gas sites as the bond would require a charge over the assets of the Company.

Key performance indicators

The key performance indicators are set out below:

	2017	2018	Change %
Turnover	£1,350,000	£1,350,000	+0%
Cash and cash equivalents	£136,416	£71,609	+91%
Closing share price	1.69p	1.23p	+37%
Earnings per share	(0.08)p	(0.03)p	+166%

Principal risks and uncertainties

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

Financial risk management objectives and policies

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

Going concern

The Directors consider the Company can continue in operational existence for the foreseeable future with its existing resources.

James Longley
Director
8 October 2018

Principal Risks and Uncertainties

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

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

Principle Risks and Uncertainties (Continued)

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

Directors

CHARLES TATNALL

Executive Chairman

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

JAMES LONGLEY

Interim CEO, Chief Financial Officer and Company Secretary

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

PAUL LAZAREVIC

Chief Operating Officer

Paul Lazarevic has a long record in the electricity sector, including most recently as the CEO of Grid balancing technology company, RLtec. He was formerly head of corporate sales at RWE, responsible for a £1.5bn operation, which included sales and operations to the UK's major industrial and commercial users such as J Sainsbury, BT Group and Lafarge. Paul also spent eight years at Exxon Mobil where his experience varied from project-managing the design and construction of embedded refinery power generation projects in the USA and Far East, to setting up a gas trading operation in the UK and running a risk management team.

TIM COTTIER

Non-Executive Director and Independent Director

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

CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT

Overview

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

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

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

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

QCA Principles

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

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

Plutus has a large pipeline of FlexGen projects, which will be executed in different ways. The Board's strategy for future development is set out in more detail in the Chairman's Statement of the Company's 2018 Annual Report, but in summary, is to either sell existing FlexGen sites or to make an offer for the 55.5% of sites not already owned. The Company is in the process of advancing its gas portfolio, evaluating and advancing planning on a number of sites, thus diversifying its project portfolio. The Company also continues to pursue its non-dilutive investment model, setting up a dedicated entity for each site as part of the Company's bottom-up strategy, therefore limiting medium-term dilution to existing shareholders.

The Board intends to deliver shareholder returns through capital appreciation. Challenges to delivering strategy, long-term goals and capital appreciation are uncertainty in relation to organisational, operational, financial and strategic risks, all of which are outlined on pages 10-11 of the 2018 Annual Report and in the Risk Management section below, as well as steps the Board takes to protect the Company by mitigating these risks and secure a long-term future for the Company.

2. Seek to understand and meet shareholder needs and expectations

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

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

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

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

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

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

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

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

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

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

The Board recognises the need for an effective and well-defined risk management process and it oversees and regularly reviews the current risk management and internal control mechanisms. The 2018 Annual Report outlines the key risks to the business, see pages 10-11.

CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED)

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

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

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

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

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

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

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

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

CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED)

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

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

Directors	**Meetings Attended**
Phil Stephens	7
James Longley	7
Paul Lazarevic	6
Charles Tatnall	7
Tim Cottier	7

Directors' conflict of interest

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

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

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

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

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

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

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

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

CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED)

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

The Board is committed to, and ultimately responsible for, high standards of corporate governance. The Board reviews the Company's corporate governance arrangements regularly and expect to evolve these over time, in line with the Company's growth. The Board delegates responsibilities to Committees and individuals as it sees fit.
The Chairman's principal responsibilities are to ensure that the Company and its Board are acting in the best interests of shareholders. His leadership of the Board is undertaken in a manner which ensures that the Board retains integrity and effectiveness, and includes creating the right Board dynamic and ensuring that all important matters, in particular strategic decisions, receive adequate time and attention at Board meetings.

The Chairman of Plutus is the key contact for shareholder liaison and all other stakeholders.
Executive Directors are responsible for the general day-to-day running of the business and developing corporate strategy.

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

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

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

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

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

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

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

PlutusPowerGen

CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED)

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

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

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

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

NOMINATIONS COMMITTEE

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

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

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

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

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

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

REMUNERATION POLICY FOR THE EXECUTIVE DIRECTORS

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

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

AGGREGATE DIRECTORS' REMUNERATION

The total amounts for Directors' remuneration were as follows:

Name of Director	Fees/basic salary £	Annual bonus £	2018 total £	2017 total £
Executive				
Charles Tatnall*	129,000	107,500	236,500	166,500
James Longley**	129,000	107,500	236,500	166,500
Philip Stephens***	165,000	35,000	200,000	187,500
Paul Lazarevic****	165,000	35,000	200,000	187,500
Tim Cottier	30,000	5,000	35,000	22,133
Josephine Dixon	-	-	-	3,539
Total emoluments	618,000	290,000	908,000	733,672

* The remuneration of Charles Tatnall includes £125,500 fees, which were invoiced by Tatbels Limited.

** The remuneration of James Longley includes £125,500 fees, which were invoiced by Dearden Chapman Accountants Limited.

*** The remuneration of Philip Stephens includes £179,000 which was invoiced by Ennerco Limited.

****The remuneration of Paul Lazarevic includes £179,000 which was invoiced by Ennerco Limited.

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

DIRECTORS' SHARES, OPTIONS AND WARRANTS

Name	Total number of options held	Total number of warrants held	Number of Ordinary Shares held	% of issued ordinary share capital of Plutus held
Charles Tatnall	4,770,000	-	75,500,000**	9.47%
James Longley	4,770,000	-	67,500,000*	8.32%
Philip Stephens	-	-	91,762,823	13.27%
Paul Lazarevic	-	-	85,953,379	12.43%

* 40,283,001 of the Ordinary Shares held by James Longley are held in his own name and 7,216,999 of the Ordinary Shares are held through his self invested personal pension scheme of which James is the sole beneficiary.

** 48,500,000 of the Ordinary Shares held by Charles Tatnall are held in his own name and 7,000,000 of the Ordinary Shares are held through his self invested personal pension scheme of which Charles is the sole beneficiary.

The Company's 2013 share option plan was approved on 8 March 2013, and options were granted over, in aggregate, 14,310,000 ordinary shares of 0.1 pence each to the Directors of the Company

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

In May 2017, a new Share Option Incentive scheme was also introduced by the Company contemporaneously with the exercise of 10,000,000 warrants each by James Longley and Charles Tatnall at 0.9p per share. The 2017 Share Option Scheme is designed to incentivise the Directors as Plutus changes direction towards gas powered and hybrid projects. The Company granted an aggregate of 60,000,000 share options with an exercise price of 1.485p pursuant to the 2017 Share Option Scheme announced in May, all vesting over three years, in equal annual instalments. 15,000,000 Options were granted to each of Paul Lazarevic, James Longley, Phil Stephens and Charles Tatnall. 10,000,000 of the options granted to Phil Stephens have now lapsed and there are now a total of 59,540,000 options in the Company outstanding, representing approximately 8.2% of the Company's issued share capital.

APPROVAL

This report was approved by the Board of Directors on 8 October 2018 and signed on its behalf by:

James Longley
Chief Financial Officer, Director

DIRECTORS' REPORT

The Directors present their report and the financial statements for the year ended 30 April 2018.

PRINCIPAL ACTIVITIES

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

DIVIDENDS

The Directors do not recommend the payment of a dividend (2017: £nil).

CAPITAL STRUCTURE

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

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

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

EVENTS AFTER THE REPORTING PERIOD

The Company received planning permission for two 20MW flexible stand-by power generation sites in Marchwood. These sites are equity funded by Rockpool Investments LLP and in which we have a 44.5% interest. With planning permission now obtained for a total of 40MW at the sites in Marchwood, preparations for the civil construction phase of these projects can now commence. The sites will be eligible for prequalification to the Capacity Market and it is expected that power generation from these sites will commence in 2018.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

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

	Ordinary shares			
	At 30 April 2018	At 30 April 2017	Options	Warrants
Charles Tatnall	75,500,000	65,500,000	19,770,000	-
James Longley	67,500,000	67,500,000	19,770,000	-
The executors of Philip Stephens	91,762,823	91,762,823	5,000,000	–
-Paul Lazarevic	85,953,379	85,953,379	15,000,000	–
Tim Cottier	–	–	–	–

SUBSTANTIAL SHAREHOLDERS

As at 17 September 2018, the Company had been advised of the following shareholders with interests of 5% or more in its ordinary share capital:

Shareholder	Number of Ordinary Shares	Percentage of issued share capital
Paternoster Resources Plc	49,333,334	6.81%
Mr Charles RS Tatnall	75,500,000	9.47%
Mr James TC Longley	67,500,000	8.32%
The executors of Philip Stevens	91,762,823	13.27%
Mr Paul Lazarevic	85,953,379	12.43%

CREDITOR PAYMENT POLICY

The Company and its subsidiaries agree the terms of payment when agreeing the terms and conditions for their transactions with suppliers. Payment is generally made in compliance with those terms, which is normally within 30 days of the invoice being received. The average number of creditor days during 2018 was 34 days (2017: 42 days).

CHARITABLE AND POLITICAL DONATIONS

The Company made no charitable contributions during the year (2017: £nil). The Company did not make any political donations in either year.

DIRECTORS' SHARE OPTIONS

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

DIRECTORS' INDEMNITIES

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

AUDITORS

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

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

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

Welbeck Associates have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Signed by order of the Directors:
James Longley
Director

8 October 2018

Registered office: 27/28 Eastcastle Street, London W1E 8DH

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange to prepare financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and have also elected to prepare the Company financial statements in accordance with IFRS as adopted by the EU. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board:

James Longley
Director
8 October 2018

Independent auditor's report to the members of Plutus Powergen Plc

Opinion

We have audited the financial statements of Plutus Powergen Plc (the 'Company') and its subsidiaries (the "Group") for the year ended 30 April 2018 which comprise the Group statement of comprehensive income, the Group and Parent Company statements of changes in equity, the Group and Parent Company statements of financial position, the Group and Parent Company statements of cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2018 and of the group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our opinion is not modified in this respect.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How we addressed it
Accounting Estimates To assess whether the accounting estimates are prepared on a reasonable and consistent basis and disclosed in the financial statements.	We have considered the basis of the accounting estimates applied when preparing the financial statements and considered the responses to audit questions with professional scepticism.

Key audit matter	How we addressed it
Related Parties	
We are required to consider if the disclosures made in the financial statements are complete and accurate and to consider whether the processes for the identifying related parties and related party transactions are appropriate.	We have assessed the Company's procedures for identifying related parties and ensuring the completeness of the disclosures that are included in the audit planning pack.
Management override of controls	
We are required to consider how management biases could affect the results of the company.	We have considered the controls in place, remained alert for material and unusual items and tested a sample of journals to assess the risk

Our application of materiality

Materiality for the Group financial statements as a whole was set at £40,000 (2017: £43,000).
This has been calculated as 3% of the benchmark of gross assets (2017: 3% of gross assets), which we have determined, in our professional judgment, to be one of the principal benchmarks within the financial statements relevant to members of the Company in assessing financial performance of the Group.

Materiality for the parent company financial statements was set at £40,000 (2017: £43,000), determined with reference to a benchmark of gross assets of £1.3M, of which it represents 3% (2017: 3% of gross assets).
We report to the Director all corrected and uncorrected misstatements we identified through our audit with a value in excess of £2,000 (2017: £2,150), in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

An overview of the scope of our audit

Our audit is risk based and is designed to focus our efforts on the areas at greatest risk of material misstatement, aspects subject to significant management judgement as well as greatest complexity, risk and size.

We consider management override and related parties to be qualitatively material. Although it is not the responsibility of the auditor to discover fraud, clearly any instances of fraud which we detect are material to the users of the financial statements. We have tested manual and automated journal entries, with a focus on those journal entries at year end. In addition, as part of our audit procedures to address this fraud risk, we assessed the overall control environment and reviewed whether there had been any reported actual or alleged instances of fraudulent activity during the year. For Related Parties, we have inquired with the client as the relevant related parties. We have also assessed the Company's procedures regarding related parties.

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 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 25, 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Jonathan Bradley-Hoare (Senior statutory auditor)
for and on behalf of Welbeck Associates
Chartered Accountants and Statutory Auditor
London, United Kingdom
8 October 2018

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 April 2018

	Note	2018 £	2017 £
Continuing operations			
Revenue		1,350,000	1,350,000
Gross profit		1,350,000	1,350,000
Administrative expenses		(1,513,022)	(1,261,424)
Share based payments		(289,338)	(31,276)
Other operating expenses	8	(50,153)	(236,164)
Operating loss		(502,513)	(178,864)
Interest charge on loan note	17	(12,000)	(22,637)
Other interest payable		(52,670)	-
Loss before tax	6	(567,183)	(201,501)
Tax	9	-	–
Net loss attributable to equity holders of the Company and total comprehensive loss		(567,183)	(201,501)
Earnings per share (pence per share):			
Basic and diluted loss per share from continuing and total operations	10	(0.08)p	(0.03)p

There are no items of other comprehensive income.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company profit and loss account. The total comprehensive loss for the parent company for the year was £(499,350) (2017: profit of £35,987).

GROUP AND COMPANY STATEMENTS OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 APRIL 2018

		Group		Company	
	Note	2018 £	2017 £	2018 £	2017 £
Non-current assets					
Goodwill	13	1,085,000	1,085,000	–	–
Investments in subsidiaries	11	–	–	1,098,333	1,098,333
Investments	12	152	152	152	152
		1,085,152	1,085,152	1,098,485	1,098,485
Current assets					
Trade and other receivables	14	146,627	268,738	368,017	455,871
Cash and cash equivalents	15	136,416	71,609	78,207	71,609
		283,043	340,347	446,224	527,480
Total assets		1,368,195	1,425,499	1,544,709	1,625,965
Current liabilities					
Trade and other payables	16	(254,538)	(229,635)	(64,309)	(131,191)
Borrowings	17	(100,000)	(200,000)	(100,000)	(200,000)
		(354,538)	(429,635)	(164,309)	(331,191)
Net current (liabilities)/assets		(71,495)	(89,288)	281,915	196,289
Non-current liabilities					
Borrowings	17	-	-	–	-
Total liabilities		(354,538)	(429,635)	(164,309)	(331,191)
Net assets		1,013,657	995,864	1,380,400	1,294,714
Equity					
Share capital	18	1,529,450	1,496,950	1,529,450	1,496,950
Share premium account	19	7,241,576	6,994,076	7,241,576	6,994,076
Share option and warrant reserve	20	445,628	140,652	445,628	140,652
Loan note equity reserve	21	23,657	23,657	23,657	23,657
Retained losses	22	(8,226,654)	(7,659,471)	(7,859,911)	(7,360,561)
Equity attributable to owners of the Company		1,013,657	995,864	1,380,400	1,294,774

The financial statements of Plutus PowerGen plc, registered number 5859612, were approved by the Board of Directors and authorised for issue on 8 October 2018
They were signed on its behalf by:

James Longley
Director

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2018

	Share capital £	Share premium £	Share option reserve £	Loan note equity reserve £	Retained losses £	Total £
At 30 April 2016	1,496,950	6,994,076	109,376	23,657	(7,457,970)	1,166,089
Comprehensive income for the year	–	–	–	–	(201,501)	(201,501)
Credit to equity in respect of share-based compensation charge	–	–	31,276	–	–	31,276
At 30 April 2017	1,496,950	6,994,076	140,652	23,657	(7,659,471)	995,864
Comprehensive income for the year	–	–	–	–	(567,183)	(567,183)
Credit to equity in respect of share-based compensation charge	–	–	304,976	–	-	304,976
Issue of share capital	32,500	247,500	–	–	–	280,000
At 30 April 2018	1,529,450	7,241,576	445,628	23,657	(8,226,654)	1,013,657

Company Statement of Changes in Equity

For the year ended 30 April 2018

	Share capital £	Share premium £	Share option reserve £	Loan note equity reserve £	Retained losses £	Total £
At 30 April 2016	1,496,950	6,994,076	109,376	23,657	(7,396,548)	1,227,511
Comprehensive income for the year	–	–	–	–	35,987	35,987
Credit to equity in respect of share-based compensation charge	–	–	31,276	–	–	31,276
At 30 April 2017	1,496,950	6,994,076	140,652	23,657	(7,360,561)	1,294,774
Comprehensive income for the year	–	–	–	–	(499,350)	(499,350)
Credit to equity in respect of share-based compensation charge	–	–	304,976	–	-	304,976
Issue of share capital	32,500	247,500	–	–	–	280,000
At 30 April 2018	1,529,450	7,241,576	445,628	23,657	(7,859,911)	1,380,400

PlutusPowerGen

GROUP AND COMPANY STATEMENTS OF CASH FLOW

For the year ended 30 April 2018

		Group		Company	
	Note	2018 £	2017 £	2018 £	2017 £
Net cash generated by/(used in) operating activities	26	(50,523)	65,001	(203,234)	38,038
Investing activities					
Net repayments by/(advances to) subsidiary undertaking		–	–	94,502	29,196
Net cash generated from/(used in) investing activities		–	-	94,502	29,196
Financing activities					
Proceeds of share issues		180,000	-	180,000	-
Interest paid		(64,670)	(16,000)	(64,670)	(16,000)
Net cash (used in)/generated from financing activities		115,330	(16,000)	115,330	(16,000)
Net increase/(decrease) in cash and cash equivalents		64,807	49,001	6,598	51,234
Cash and cash equivalents at beginning of year		71,609	22,608	71,609	20,375
Cash and cash equivalents at end of year	15	136,416	71,609	78,207	71,609

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2017

1 - GENERAL INFORMATION

Plutus PowerGen plc is a Company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 24. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 8 to 9 and in the Chairman's Statement on pages 3 to 4.
These financial statements are prepared on a going concern basis and presented in pounds sterling which is the currency of the primary economic environment in which the Group operates.

2 - STATEMENT OF COMPLIANCE

The financial statements comply with IFRS as adopted by the European Union. The following new and revised Standards and Interpretations have been adopted in the current period by the Group for the first time and do not have a material impact on the Group.

IFRS 12 Disclosures of interests in other entities

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective and not early adopted. None of these are expected to have a significant effect on the financial statements of the Group.

3 - SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The consolidated financial statements of Plutus PowerGen plc (the "Company") and its subsidiaries (the "Group") have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union ("EU") applied in accordance with the provisions of the Companies Act 2006.
IFRS is subject to amendment and interpretation by the International Accounting Standards Board ("IASB") and the International Financial Standards Interpretations Committee ("IFRS IC") and there is an ongoing process of review and endorsement by the European Commission.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at amortised cost, as explained in the accounting policies below.

BASIS OF CONSOLIDATION

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

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

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

TAXATION

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

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.
The carrying amount of deferred tax assets is reviewed at each year end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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

REVENUE

Revenue is measured at the fair value of the consideration received or receivable.
Revenue is derived from the provision of management services which are invoiced on a monthly basis and are recognised in the period to which they relate.

FINANCIAL INSTRUMENTS

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

FINANCIAL ASSETS

Financial assets are classified into the following specified categories: 'available for sale investments', 'loans and receivables' and 'cash and cash equivalents'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

AVAILABLE FOR SALE INVESTMENTS

Investments are designated as available-for-sale financial assets if they do not have fixed maturities and fixed or determinable payments, and management intends to hold them for the medium to long-term. Financial assets that are not classified into any of the other categories are also included in the available-for-sale category.

Investments are initially measured at fair value plus incidental acquisition costs. Subsequently, they are measured at fair value in accordance with IAS 39. In respect of quoted investments, this is either the bid price at the period end date or the last traded price, depending on the convention of the exchange on which the investment is quoted, with no deduction for any estimated future selling cost. Unquoted investments are valued by the Directors using primary valuation techniques such as recent transactions, last price or net asset value.

Gains and losses on measurement are recognised in other comprehensive income except for impairment losses and foreign exchange gains and losses on monetary items denominated in a foreign currency, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

The Group assesses at each period end date whether there is any objective evidence that a financial asset or group of financial assets classified as available-for-sale has been impaired. An impairment loss is recognised if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset. A significant or prolonged decline in the fair value of a security below its cost shall be considered in determining whether the asset is impaired.

When a decline in the fair value of a financial asset classified as available-for-sale has been previously recognised in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss is removed from other comprehensive income and recognised in profit or loss. The loss is measured as the difference between the cost of the financial asset and its current fair value less any previous impairment.

Fair Value Measurements:
The Group holds investments that are measured at fair value at the end of each reporting period using the IFRS 7 fair value hierarchy as set out below.
Level 1 – valued using quoted prices in active markets for identical assets.
Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.
Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

LOANS AND RECEIVABLES

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and 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.

DERECOGNITION OF FINANCIAL ASSETS

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

EQUITY INSTRUMENTS

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received net of direct issue costs.
The share capital account represents the amount subscribed for shares at nominal value.
The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.
The share option reserve represents the fair value, calculated at the date of grant, of options unexercised at the balance sheet date.

The loan note equity reserve represents the fair value, calculated at issuance of the loan notes.
Retained losses include all current and prior period results as disclosed in the statement of comprehensive income.

FINANCIAL LIABILITIES

Financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance cost in the income statement using the effective interest rate method.
The Group's financial liabilities comprise trade and other payables and borrowings.
Trade payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

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

PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

SHARE-BASED PAYMENTS

The Group has applied the requirements of IFRS 2 'Share-based Payments'.

The Group issues equity-settled share based payments to certain employees. Equity settled share based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Fair value is measured by use of the Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

4 - CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Going concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future. The Group had cash and cash equivalents of £136,416 and net current liabilities of £118,567 as at 30 April 2018, and incurred a loss of £461,766 for the year then ended.

The Directors have based their opinions on a cash flow forecast, which assumes that sufficient revenue will be generated for working capital purposes and that operating costs will be kept to a minimum until adequate revenue streams are secured. In addition future plans for the Group will be funded externally through a mix of debt and equity financing, which at the time of signing the accounts had not yet been completed. So whilst there are uncertainties, the Directors continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

(ii) Classification of investments as available for sale

Note 11 describes the investments in nine operating companies where the Group's shareholdings exceed 20% as 'Available for Sale Investments'. Based on the contractual agreements between the Group and other investors, the Group does not have any power to appoint or remove board of directors members of the investees. Therefore the Directors of the Company concluded that the Group does not have significant influence over these companies.

KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are set out below.

(i) Share options

In order to calculate the charge for share-options as required by IFRS 2, the Group makes estimates principally relating to the assumptions used in its Black-Scholes option pricing model as set out in note 23.

(i) Impairment of goodwill

Determining whether goodwill is impaired required an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the future cash flows are less than expected, a material impairment loss may arise.

5 - BUSINESS SEGMENTS

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

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

6 - LOSS FOR THE YEAR

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

	2018 **£**	**2017** **£**
Operating lease expense in respect of property	97,157	75,426
Employee costs – including share-based compensation costs (see note 7)	1,202,712	738,354

The analysis of auditors' remuneration is as follows:

	2018 **£**	**2017** **£**
Fees payable to the Group's auditor for the audit of the Group's annual accounts	22,000	20,000
Other services pursuant to legislation:		
– tax services	1,750	2,000
Total non-audit fees	1,750	2,000

7 - EMPLOYEE COSTS (INCLUDING DIRECTORS)

	2018 **£**	**2017** **£**
Salaries and fees	908,000	733,672
Employee share option charge	273,700	-
Employer's national insurance contributions	5,374	4,682
	1,202,712	738,354

The average monthly number of employees (including Executive Directors) employed by the Group during the year was 5, all of whom were involved in management and administration activities (2017:4).

Details of Directors' remuneration and gains on the exercise of share options can be found in the section of the Directors' Remuneration Report on page 21 to 22.

8 - OTHER OPERATING EXPENSES

	2018 £	2017 £
Pre-planning project expenses written off	50,153	236,164
	50,153	236,164

9 - TAX

	2018 £	2017 £
Current tax	–	–
Deferred tax	–	–
	–	–

Corporation tax is calculated at 19% (2017: 19.9%) of the estimated assessable loss for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The charge for the year can be reconciled to the profit per the statement of comprehensive income as follows:

Tax reconciliation

	2018 £	2017 £
Loss before tax	(567,183)	(201,501)
Tax at UK corporation tax rate of 19% (2017: 19.9%)	(107,765)	(45,845)
Effects of:		
Expenses not deductible for tax purposes	29,075	8,161
Tax losses carried forward	78,690	37,684
Total tax charge	–	–

Deferred tax assets of approximately £572,690 (2017: £494,000) have not been recognised as the Directors consider there to be insufficient evidence that the assets will be recovered.

10 - EARNINGS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

In order to calculate diluted loss per share, the weighted average number of ordinary shares in issue was adjusted to assume conversion of all dilutive potential ordinary shares according to IAS 33. Dilutive potential ordinary shares include share options granted to employees and Directors where the exercise price (adjusted according to IAS 33) is less than the average market price of the Company's ordinary shares during the year.

IAS 33 'Earnings per share' requires presentation of diluted earnings per share when a company could be called upon to issue shares that would decrease net profit or increase net loss per share. Only options that are 'in the money' are treated as dilutive and net loss per share would not be increased by the exercise of such options.

Loss	2018 £	2017 £
Loss for the purposes of basic and diluted earnings per share: Continuing and total operations	(567,183)	(201,501)

Number of shares	Number	Number
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	715,593,319	691,428,935
Earnings per share – basic and diluted, pence per share	(0.08)	(0.03)

11 - INVESTMENTS IN SUBSIDIARIES

The Group holds the following investments in subsidiary undertakings:

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

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

	2018 £	2017 £
At 1 May	1,098,333	1,085,000
Reclassification of investment in Plutus Energy Limited	-	13,333
Purchase of investments	–	-
	1,098,333	1,098,333

12 - AVAILABLE FOR SALE INVESTMENTS

Available for sale investments comprise investments in nine operating entities. As explained in Note 4, these investments are not equity accounted for as the Group does not meet the criteria for exerting significant influence as set out in IAS 28.

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

Level 3 investments	2018 £	2017 £
Brought forward	152	152
Purchase of investments (see note below)	–	-
	152	152

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

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

13 - GOODWILL

	2018 £	2017 £
Brought forward	1,085,000	1,085,000
On issue of deferred consideration shares (Note 18)	–	-
Carried forward at 30 April 2018	1,085,000	1,085,000

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

The recoverable amount is determined based on value-in-use calculations which uses cash flow projections based on financial budgets approved by the Directors covering a five-year period, and a discount rate of 12% per annum.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates of 10% which is based on the average growth for 5 years covered by the projections. The Directors believe that any reasonably possible change in key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

The Directors have reviewed the carrying value of goodwill as at 30 April 2018 and consider that no impairment provision is required.
The Directors continue to review goodwill on an on-going basis and where necessary in future periods will request external valuations to further support the valuation basis.

14 - TRADE AND OTHER RECEIVABLES

	Group		Company	
	2018 **£**	**2017** **£**	**2018** **£**	**2017** **£**
Trade receivables	1,546	28,339	–	–
Amounts due from subsidiary undertakings	–	–	313,368	407,870
Expenses rechargeable to operating entities	19,144	192,398	–	–
Other receivables	98,110	24,633	30,359	24,633
Prepayments and accrued income	27,827	23,368	24,290	23,368
	146,627	268,738	368,017	455,871

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

15 - CASH AND CASH EQUIVALENTS

	Group		Company	
	2018 **£**	**2017** **£**	**2018** **£**	**2017** **£**
Cash and cash equivalents	136,416	71,609	78,207	71,609
	136,416	71,609	78,207	71,609

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

16 - TRADE AND OTHER PAYABLES

	Group		Company	
	2018 **£**	**2017** **£**	**2018** **£**	**2017** **£**
Trade payables	133,728	135,524	8,195	56,341
Other payables	73,144	19,361	8,448	100
Accruals and deferred income	47,666	74,750	47,666	74,750
	254,538	229,635	64,309	131,191

Trade payables and accruals principally comprise amounts outstanding for trade purchases and on-going costs. The Directors consider that the carrying amount of trade and other payables approximates to their fair value. No trade payables were older than 90 days.

17 - BORROWINGS

Group and Company
Convertible loans

On 22 December 2014 the Company issued £200,000 convertible loan notes, repayable on 18 December 2016 if not converted into shares prior to that date, and bearing interest at 8% p.a, payable quarterly in arrears. In December 2016 the terms of the loan were amended so that the loan notes are repayable on demand.

The net proceeds from the issue of the loan notes have been split between the liability element and an equity component, representing the fair value of the embedded option to convert the liability into equity of the Company as follows:

The Directors estimate the fair value of the liability component of the loan notes at 30 April 2018 to be approximately £100,000 (2017: £200,000). This fair value has been calculated by discounting the future cash flows at the market rate of 8%.

	2018 **£**	**2017** **£**
Liability component brought forward	200,000	193,363
Loan Notes converted to Equity	(100,000)	-
Interest charge for the period	12,000	22,637
Interest paid	(12,000)	(16,000)
Liability component of convertible loans at 30 April 2018	100,000	200,000
Other loans	–	–
Total borrowings	100,000	200,000
Current liabilities	100,000	200,000
Non-current liabilities	–	–
	100,000	200,000

18 - SHARE CAPITAL

	2018 **Number**	**2018** **£**	**2017** **Number**	**2017** **£**
Issued and fully paid				
Ordinary shares of £0.001 each	723,928,935	723,929	691,428,935	691,429
Deferred shares of £0.049 each	16,439,210	805,521	16,439,210	805,521
Total		1,529,450		1,496,950

Share issues

Ordinary shares	**Number**	**Nominal value £**	**£**
Issued shares on 30 April 2015	571,428,935	0.001	571,429
Issue of shares	120,000,000	0.001	120,000
Issued ordinary shares on 30 April 2016 and 30 April 2017	691,428,935	0.001	691,429
Issue of shares	32,500,000	0.001	32,500
Issued ordinary shares on 30 April 2018	723,928,935	0.001	723,929

On 1 February 2016 the following share issues took place:
- 20,000,000 shares were issued for cash at 0.9p per share on the exercise of warrants.
- 100,000,000 shares were issued at 0.6p per share as deferred consideration in accordance with the amended agreement for the acquisition of Plutus Energy Limited.

On 19 May 2017 the following share issues took place:
- 20,000,000 shares were issued for cash at 0.9p per share on the exercise of warrant

On 29 November 2017 the following share issues took place:
- 12,500,000 shares were issued for cash at 0.8p per share on the conversion of convertible loan stock

19 - SHARE PREMIUM ACCOUNT

Share premium account	**£**
Balance at 30 April 2015	6,334,076
Premium arising on issue of equity shares	660,000
Balance at 30 April 2016 and 30 April 2017	6,994,076
Premium arising on issue of equity shares	247,500
Balance at 30 April 2018	7,241,576

20 - SHARE OPTION AND WARRANT RESERVE

	£
Balance at 30 April 2015	74,306
Share-based payment charge	35,070
Balance at 30 April 2016	109,376
Share-based payment charge	31,276
Balance at 30 April 2017	140,652
Share-based payment charge	304,976
Balance at 30 April 2018	445,628

21 - LOAN NOTE EQUITY RESERVE

	£
Balance at 30 April 2016, 30 April 2017 and 30 April 2018	23,657

22 – GROUP RETAINED LOSSES

	£
Balance at 30 April 2015	(7,050,194)
Comprehensive loss for the year	(407,776)
Balance at 30 April 2016	(7,457,970)
Comprehensive loss for the year	(201,501)
Balance at 30 April 2017	(7,659,471)
Comprehensive loss for the year	(567,183)
Balance at 30 April 2018	(8,226,654)

23 - SHARE OPTIONS AND WARRANTS

Options

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

The fair value of the options was calculated using the Black-Scholes model and the Group recognised total expenses of £304,976 (2017: £nil) related to the grant of these options during the year. The inputs to the Black-Scholes model were as follows:

2013 Issue:	
Grant date share price	0.675p
Exercise share price	0.675p
Risk free rate	2.5%
Expected volatility	50%
Option life	10 years
Calculated fair value per share	0.420p

2017 Issue:	
Grant date share price	1.485p
Exercise share price	1.485p
Risk free rate	2.5%
Expected volatility	50%
Option life	10 years
Calculated fair value per share	0.746p

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

Number of options at 30 April 2017	Issued in the year	Exercised in the year	Lapsed in the year	Number of options at 30 April 2018	Exercisable at 30 April 2018	Exercise price	Expiry date
9,540,000	–	–	–	9,540,000	9,540,000	0.675p	8.03.2023
–	60,000,000	–	–	60,000,000	50,000,000	1.485p	19.05.2020
				69,540,000	59,540,000		

Warrants

On 22 August 2014, warrants over, in aggregate, 40,000,000 ordinary shares of 0.1 pence each ("Director Warrants") were issued to James Longley and Charles Tatnall, directors of the Company. Each warrant carries the right to subscribe for one new Ordinary Share in the capital of the Company at a price of 0.9p per Ordinary at any time prior to 22 August 2016.

On 28 May 2015, warrants over, in aggregate, 30,075,207 ordinary shares of 0.1 pence each ("Rockpool Warrants") were issued to Rockpool LLP, an advisor to the Company. Each warrant carries the right to subscribe for one new Ordinary Share in the capital of the Company at a price of 1.15p per ordinary share at any time between 27 May 2018 and 27 May 2021.

The fair value of the warrants was calculated using the Black-Scholes model and the Group recognised total expenses of £31,276 (2017: £31,726) in relation to the issue of the Rockpool warrants during the year. The inputs to the Black-Scholes model were as follows:

	Rockpool Warrants	Director Warrants
Grant date share price	0.8p	0.6p
Exercise share price	1.15p	0.9p
Risk free rate	2%	2%
Expected volatility	50%	50%
Life of warrant	6 years	2 years
Calculated fair value per share	0.312p	0.095p

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

Number of warrants at 30 April 2017	Issued in the year	Exercised in the year	Lapsed in the year	Number of warrants at 30 April 2018	Exercisable at 30 April 2018	Exercise price	Vesting date	Expiry date
20,000,000	-	20,000,000	–	-	-	0.9p	22.08.2014	27.08.2017
30,075,207	–	–	–	30,075,207	–	1.15p	27.05.2018	27.05.2021
50,075,207	–	20,000,000	–	30,075,207	-			

24 - FINANCIAL INSTRUMENTS

Categories of financial instruments

	Carrying value	
	2018	**2017**
	£	**£**
Financial assets		
Investments designated as available for sale on initial recognition	152	152
Trade receivables	1,546	28,339
Cash and cash equivalents	136,416	71,609
	138,114	100,100
Financial liabilities at amortised cost:		
Convertible unsecured loan notes	100,000	200,000
Trade and other payables	254,538	154,885
	354,538	354,885

25 - RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are:

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

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

INTEREST RATE RISK

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

CREDIT RISK

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

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

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

LIQUIDITY RISK

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

26 - NOTES TO THE CASH FLOW STATEMENT

	Group		Company	
	2018 £	**2017 £**	**2018 £**	**2017 £**
(Loss)/profit before tax	(567,183)	(201,501)	(499,350)	35,987
Share-based compensation charge	304,976	31,276	304,976	31,276
Interest payable	64,670	-	64,670	-
Project expenses written off	50,153	-	50,153	-
Loan note interest charge	-	22,637	-	22,637
Operating cash flow before movements in working capital	(147,384)	(147,588)	(79,551)	89,900
Decrease/(increase) in receivables	71,958	149,242	(56,801)	(24,471)
Increase/(decrease) in payables	24,903	63,347	(66,882)	(27,391)
Net cash generated by/(used in) operating activities	(50,523)	65,001	(203,234)	38,038

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

27 - OPERATING LEASE ARRANGEMENTS

The Group and Company as lessee

	2018 £	**2017 £**
Minimum lease payments under operating leases recognised as an expense in the year	97,157	58,000

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

	2018 £	**2017 £**
Due within 1 year	47,700	47,700

28 - RELATED PARTY TRANSACTIONS

During the year ended 30 April 2018 £215,500 (2017: £145,500) fees were paid to Tatbels Limited in respect of Charles Tatnall's services as Executive Chairman.

During the year ended 30 April 2018, fees of £215,500 (2017: £116,750) were paid to Dearden Chapman Accountants Limited in respect of James Longley's services as Chief Financial Officer.

During the year ended 30 April 2018, fees of £358,000 were paid to Ennerco Limited in respect of services rendered by Phil Stephens and Paul Lazarevic and in 2017 fees of £158,167 were paid to PPT Capital Limited in respect of services rendered by Phil Stephens and Paul Lazarevic. Phil Stephens and Paul Lazarevic were both directors of Ennerco Limited during the year. Also in 2017 fees of £72,375 were paid to Helvic Limited, £26,500 to Ennerco Limited, and £12,000 to Catmandoo Limited, in respect of services rendered by Paul Lazarevic and Phil Stephens.

During the year ended 30 April 2018 fees of £22,000 (2017: £13,133) were paid to Kinloch Corporate Finance Limited in respect of Tim Cottier's services as an independent non-executive director and of which Tim Cottier was a director.

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures. Further information about the remuneration of individual Directors is provided in the Directors' Remuneration Report.

	2018 £	**2017** £
Short-term employee benefits	913,374	738,354
	913,374	738,354

In addition to the information disclosed in Note 23, movement on warrants held by the Directors is as follows:

			James Longley	**Charles Tatnall**
	Exercise price	**Vesting date**	**Number of warrants**	**Number of warrants**
At 30 April 2015	0.9	27.08.2017	20,000,000	20,000,000
Exercised during the year	0.9	27.08.2017	(10,000,000)	(10,000,000)
At 30 April 2016 and 30 April 2017	0.9	27.08.2017	10,000,000	10,000,000
Exercised during the year	0.9	27.08.2017	(10,000,000)	(10,000,000)
At 30 April 2018	-	-	-	-

On 1 February 2016, 10,000,000 shares were issued at 0.9p per share to each of Charles Tatnall and James Longley on the exercise of warrants. The aggregate of the amount of gains made by each director on the exercise of warrants is £20,000. On 19 May 2017, 10,000,000 shares were issued at 0.9p per share to each of Charles Tatnall and James Longley on the exercise of warrants. The aggregate of the amount of gains made by each director on the exercise of warrants is £20,000.

29 - EVENTS AFTER THE YEAR END

There have been no material events since the year end.

Director Dealings

Following the warrant exercise, the interests of the Directors in the issued share capital of the Company before and after the issue of the New Ordinary Shares is as follows:

Name	Existing interest in ordinary shares of 0.1p each	Number of New Ordinary Shares	Total interest in ordinary shares of 0.1p each	Percentage interest in the issued ordinary share capital of the Company
Executors of Philip Stephens	88,012,823	-	91,762,823	12.37%
Paul Lazerevic	82,203,379	-	85,953,379	11.55%
Charles Tatnall	75,500,000	-	75,500,000	10.61%
James Longley	67,500,000	-	67,500,000	9.49%