0230/00035595/en
Annual Financial Report
PWE Holdings Plc
PWE

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

Please find attached the below Announcement.

Attachment:

1. **Announcement**

Non Regulated

Publication Date: 22/06/2021

Company Registration No. 10174331 (England and Wales)

PWE HOLDINGS PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

Jeffreys Henry LLP
Finsgate
5-7 Cranwood Street
London
EC1V 9EE

PWE HOLDINGS PLC

COMPANY INFORMATION

Directors	Sean Fitzpatrick Sarah Healy (Resigned 7 February 2019) Tim Hewett John Davies Robert Boot
Secretary	Andrea Chandler
Company number	10174331
Registered office	1650 Waterside Drive Arlington Business Park Theale Berkshire RG7 4SA
Auditors	Jeffreys Henry LLP Finsgate, 5-7 Cranwood Street London EC1V 9EE
Bankers	Lloyds Bank Commercial Banking PO Box 1000 BX1 1LT
Solicitors	Weightmans LLP The Hallmark Building 105 Fenchurch Street London EC3M 5JG

CONTENTS

PWE HOLDINGS PLC

STRATEGIC REPORT
FOR THE PERIOD ENDED 31 MARCH 2020

Principal activities and fair review of the business
The principal activity of the Group is the ownership and operation of a Combined Heat & Power (CHP) fleet delivering electricity & heat to its clients' facilities. The Group delivers solutions in the range of 65KW to 5MW for the purpose of generating immediate and sustainable cost savings for clients, and long-term returns for the Group and its investors.

Business Strategy
The Group's business model is to design, build, finance and own a growing fleet of CHP solutions across the UK and Ireland. These solutions incorporate Capstone gas micro-turbines. Once installed, the Group operates and maintains the fleet.

Review of business

The Directors are pleased with the progress made during 2019/20 where we expanded our Leisure sector fleet to 36 units and improved operational performance and efficiency.

Although the Group made a loss of £4,591,170 for the 15 month period, I am pleased to report that turnover has increased by approximately 16% during the period under review and that we built a significant pipeline to expand into the larger commercial and industrial market.

The Directors acknowledge that there has been an increase in investment to build up the business and position the Group for larger more profitable growth in the future; they consider that the Group has adequate resources for on-going operating expenses due to the support of the bondholders and revenues generated from its operations. The Group's focus will be on ensuring additional fundraising is in place to allow the main trading subsidiary to make the necessary growth to reach and pass breakeven.

Principal risks and uncertainties

The principal risk to the Company is that it will be unable to raise the necessary capital in order to carry out its business plan in full.

The Directors constantly monitor the financial risks and uncertainties facing the Company with particular reference to the exposure of credit risk and liquidity risk. They are confident that suitable policies are in place and that all material financial risks have been considered.

Further discussion on risk and sensitivity analysis is discussed within note 4.

Key performance indicators

At this stage of the Group's development, the key performance indicators that the directors monitor are management of liquid resources i.e., cash flows and bank balances together with general administrative expenses, which are tightly controlled.

STRATEGIC REPORT
FOR THE PERIOD ENDED 31 MARCH 2020

	2019-20	**2018**
Revenue (£)	£2,261,759	£1,558,374
Loss for the period (£)	£4,591,170	£3,146,757
Cash and Cash equivalents (£)	£1,338,503	£5,705,023
Net liability (£)	(£11,405,786)	(£6,818,522)
Electricity generated (Units - kWh)	12,930,801 kWh	7,709,042 kWh
Heat generated (Units – kWh)	22,740,457 kWh	4,069,133 kWh
Total operating sites at year end (Nos.)	25	21

Future developments

The Group now has growth plans with ESCo contracts across all sectors identified in the market. The existing management team has built a significant commercial and industrial sector pipeline without additional resource over the period. Several opportunities are on the cusp of maturing into long term ESCo contracts despite the significant delays experienced across the business sector due to the Covid-19 crisis.

We have expanded our offer from exclusively CHP to a wider range of Net Zero Energy Solutions to bring a broader offering to our targeted sectors: Light Manufacturing, Food and Beverage processing and other process heat intense industries. Since the year end, we have signed our largest CHP contract to date, a 865 kW contract with a food processing and packaging company in Somerset. We are also at an advanced stage of negotiation for 3 projects totalling 7.8 MW with a multi-national client in the cement industry.

The Group's base leisure fleet of 2.6 MW installed and operating capacity has performed well to the end of March adding 16% in revenues from the previous year. We continue to expand this fleet at a steady pace with 8 additional units to be added in 2020; an increase of 20%.

The Group's diversification into a wider offer of renewable and Net Zero solutions has opened up many more avenues into our targeted commercial and industrial sectors. Our pipeline continues to grow steadily with some of the earlier prospects from 18 months ago coming to maturity.

The trajectory for growth remains positive through the addition of significant installs in 2020/21. The demand for Net Zero funded solutions has increased since the return to business from the initial 20 week lockdown. Our Net Zero offer will include solar PV, waste to energy, battery storage and other clean energy efficiency solutions over the coming years.

The Group is currently considering a restructuring which is likely to entail dividing the group into an existing business to service the Leisure and Hotel operations and a new business to service the growing much larger and complex Commercial and Industrial operations. The new business will also be involved in other energy saving opportunities including solar, wind power and battery storage.

Companies Act S.172

The Directors acknowledge their duty under s.172 of the Companies Act 2006 and consider that they have, both individually and together, acted in the way that, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, they have had regard (amongst other matters) to:

- the likely consequences of any decision in the long term. The Group's long-term strategic objectives, including progress made during the year and principal risks to these objectives, are shown in the strategic report and the key performance indicators.

- the interests of the Company's employees. Our employees are fundamental to us achieving our long-term strategic objectives.
- the impact of the Company's operations on the community and the environment. The Group operates honestly and transparently. We consider the impact on the environment on our day-to-day operations and how we can minimise this.
- the desirability of the Company maintaining a reputation for high standards of business conduct. Our intention is to behave in a responsible manner, operating within the high standard of business conduct and good corporate governance.
- the need to act fairly as between members of the Company. Our intention is to behave responsibly towards our shareholders and treat them fairly and equally so that they may benefit from the successful delivery of our strategic objectives.

On behalf of the board

Sean Fitzpatrick

SP Fitzpatrick
CEO

21 June 2021

PWE HOLDINGS PLC

DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2020

The directors present their report and financial statements for the period ended 31 March 2020.

Principal activities
The principal activity of the Group is the ownership and operation of a Combined Heat & Power (CHP) fleet delivering electricity & heat to its client's facilities. The Group delivers solutions in the range of 65KW to 5MW for the purpose of generating immediate and sustainable cost savings for clients, and long-term returns for the Group and its investors.

Results and dividends
The results for the period are set out on page 11

Future developments
As per the Strategic Review Report.

Directors
The following directors have held office during the period:

Sean Fitzpatrick
John Davies
Robert Boot
Sarah Healy (Resigned 7 February 2019)
Tim Hewett

Directors' interest
At the date of this report the directors held the following beneficial interest in the ordinary share capital of the Group:

	Ordinary shares No.	Percentage
Sean Fitzpatrick	**30,000**	**5.0**
Sarah Healy (Resigned 7 February 2019)	**12,000**	**2.0**

Substantial interests
As at 31 March 2020 the following had an interest of 3% or more in the ordinary share capital of the Group:

	Ordinary shares No.	Percentage
Green Ops Ltd (transferred from JLG Group Dec 2019)	**423,000**	**70.5**
EcoQuest	**90,000**	**15.0**
Sean Fitzpatrick	**30,000**	**5.0**
Robin Pugh	**30,000**	**5.0**

Financial risk and management of capital
The major balances and financial risks to which the Group is exposed to and the controls in place to minimise those risks are disclosed in Note 4.

A description of how the Group manages its capital is also disclosed in Note 4.

Greenhouse Gas (GHG) and Carbon Emissions

The Group has minimal carbon emissions; there is a low number of employees, no in house manufacturing and only a small serviced office space.

Total emissions are expected to be lower than 40,000 Kwh. Accordingly, it is not considered necessary to obtain emissions, energy consumption or energy efficiency data to produce an Energy and Carbon Report under SI 2018/1155.

Financial instruments
The group has not entered into any financial instruments to hedge against interest rate or exchange rate risk.

The Bonds and debentures are secured by a charge over all of the assets of the Group, and bear interest as per below. Interest on 2021 debentures is paid in quarterly instalments and interest on 2020 debentures is paid in two half yearly instalments.

	Repayment date	Annual interest
2021 Debentures	31 December 2021	8.50%
2020 Bonds	31 December 2020	6.50%

The initial issue of the 2020 Bonds was for £30m of which £10m has been repaid. The maturity date of the remaining £20m has been extended by the Bondholders to at least 31 August 2021 to allow the restructuring of the company referred to in the Strategic Report.

The loans with Just Finance Loans and Investments Plc bear interest at 12% per annum. These loans are considered to be at open market value.

Research and development
There have been no Research activities during the period.

Events after the reporting period
Refer to note 27 to the financial statements for further details.

Going concern
Although there are ongoing losses and net current liabilities which indicates uncertainty regarding going concern, the financial statements have been prepared on the assumption that the Company is a going concern. When assessing the foreseeable future, the directors have looked at the budget for the next 12 months from the date of this report, the cash at bank available as at the date of approval of this report and are satisfied that with the support of the Bondholders the Group should be able to cover its ongoing administrative expenses, finance costs and repayment of any short-term borrowings. Further, to support this decision, the main creditors of the business have provided additional support to defer capital and interest repayments for at least 12 months from the date of approval of these financial statements.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the annual report and financial statements.

Auditors
Jeffreys Henry LLP were re-appointed as auditors to the Group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities
The Directors are responsible for preparing the Directors' Report and the Group and parent company financial statements in accordance with applicable law and regulations.

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2020

Company law requires the Directors to prepare Group and parent financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the European Union
- 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 group. They are also responsible for safeguarding the assets of the company and the group 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. Information published on the website is accessible in many countries and legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to auditors
Each person who is a Director at the date of approval of this Annual Report confirms that:

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

On behalf of the board

Sean Fitzpatrick

SP Fitzpatrick
CEO

21 June 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PWE HOLDINGS PLC

Opinion

We have audited the financial statements of PWE Holdings Plc (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 March 2020 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of cash flows, the consolidated and company statements of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements 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 31 March 2020 and of the group's loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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 draw attention to note 2.1 in the financial statements, which indicates that there is doubt on the entity's ability to continue as a going concern, due to the reliance on the agreement of specific creditors accepting deferred payments . As stated in note 2.1, these events or conditions, a, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors assessment of the entity's ability to continue to adopt the going concern basis of accounting included a critical review of cashflow forecasts to assess on the Group's ability to pay it's debts for a period of at least 12 months.

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

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

How we tailored the audit scope

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

The Group financial statements are a consolidation of 2 reporting units, comprising the Group's operating businesses and holding companies.

We performed audits of the complete financial information of PWE Holdings plc and Pure World Energy Limited reporting units, which were individually financially significant and accounted for 100% of the Group's revenue and absolute profit before tax (i.e. the sum of the numerical values without regard to whether they were profits or losses for the relevant reporting units).

The Group engagement team performed all audit procedures.

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. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Carrying value & existence of fixed assets As at 31 March 2020 the Group held fixed assets with a carrying value of £8,745,422 (31 December 2018: £8,248,720), the majority of which comprises of assets related to operational sites and new sites under construction. The Group capitalises all costs incurred during construction to bring assets into use. This involves estimations from the Directors' regarding overhead costs relevant in this process. The Group depreciates its plant and equipment assets over the life of the contracts in place with customers.	We considered whether the nature of the costs met the criteria for the costs to be capitalised. For estimated overhead allocation we considered whether the Directors' policy for the treatment for such costs was reasonable. On a sample basis, we agreed capitalised costs back to supporting documentation. We recalculated deprecation based the group's policy for each class of asset. We found not material exceptions in our testing.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial

statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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

	Group financial statements	Company financial statements
Overall materiality	£229,000 (2018: £300,000).	£113,000 (2018: £131,000).
How we determined it	1% of Gross assets.	1% of Gross assets.
Rationale for benchmark applied	We believe that gross assets is the primary measure used by the shareholders in assessing the performance of the Group, and is a generally accepted auditing benchmark.	We believe that gross assets is the primary measure used by the shareholders in assessing the performance of the Company, and is a generally accepted auditing benchmark.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £113,000 and £11,000.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £11,450 (Group audit) (2018: £15,000) and £5,650 (Company audit) (2018: £6,550) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements [and the part of the directors' remuneration report to be audited] 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, as set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

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

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- Obtaining confirmation of compliance from the company's legal advisors.

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

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of this report

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

Sanjay Parmar (Senior Statutory Auditor)

For and on behalf of Jeffreys Henry LLP, Statutory Auditor

Finsgate
5-7 Cranwood Street
London EC1V 9EE

21 June 2021

PWE HOLDINGS PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2020

		Period-ended 31 March 2020 £	Year ended 31 December 2018 £
Continuing Operations	**Notes**		
Revenue		2,261,759	1,558,374
Exceptional Cost of Sales		-	-
Cost of Sales		(1,395,886)	(1,109,326)
Gross Profit		865,873	449,048
Administrative Expenses		(2,543,405)	(1,474,287)
Exceptional Administrative Expenses		-	-
Operating Loss	**6**	**(1,677,532)**	**(1,025,239)**
Finance Costs	**8**	(4,325,055)	(2,491,300)
Finance Income	**8**	1,411,417	369,782
Loss on ordinary activities before taxation		(4,591,170)	(3,146,757)
Income tax expense	**9**	-	-
Loss and total comprehensive income for the period		**(4,591,170)**	**(3,146,757)**
Loss per share	**10**	**(7.65)**	**(5.24)**

The notes on pages 18 to 33 form part of these financial statements.

PWE HOLDINGS PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Notes	2019-20 £	2018 £
Assets			
Non-Current Assets			
Property, plant and equipment	**13**	8,745,422	8,248,720
		8,745,422	8,248,720
Current Assets			
Trade and other receivables	**14**	739,661	392,028
Financial assets	**15**	15,000,000	15,000,000
Cash and cash equivalents	**16**	1,338,503	5,705,023
		17,078,164	21,097,051
Total Assets		**25,823,586**	**29,345,771**
Equity and liabilities			
Equity			
Ordinary Shares	**17**	60,000	60,000
Preference Shares	**17**	50,000	50,000
Reorganisation Reserve		15,089	15,089
Retained Losses	**18**	(11,534,781)	(6,943,611)
Foreign Exchange Reserve		3,909	-
Total equity		(11,405,783)	(6,818,522)
Liabilities			
Non-Current Liabilities			
Borrowings	**19**	6,782,378	34,877,577
Current Liabilities			
Borrowings	**19**	29,564,050	-
Trade and other payables	**20**	882,941	1,286,716
Total Liabilities		37,229,369	36,164,293
Total Equity and Liabilities		**25,823,586**	**29,345,771**

The notes on pages 18 to 33 form part of these financial statements.
Approved by the Board and authorised for issue on 21 June 2021

Sean Fitzpatrick

SP Fitzpatrick
CEO
Company Registration No. 10174331

PWE HOLDINGS PLC

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Notes	2019-20 £	2018 £
Assets			
Non-Current Assets			
Investment in Subsidiaries	**12**	60,088	60,000
Inter-Company Loan	**23**	-	8,597,805
		60,088	8,657,805
Current Assets			
Trade and other receivables	**14**	17,557	19,846
Financial assets	**15**	15,000,000	15,000,000
Cash and cash equivalents	**16**	1,330,605	5,254,817
		16,348,162	20,274,663
Total Assets		**16,408,250**	**28,932,468**
Equity and liabilities			
Equity			
Ordinary Shares	**17**	60,000	60,000
Preference Shares	**17**	50,000	50,000
Retained Losses	**18**	(14,334,936)	(1,647,124)
Total equity		(14,224,936)	(1,537,124)
Liabilities			
Non-Current Liabilities			
Borrowings	**19**	489,089	29,328,210
Current Liabilities			
Borrowings	**19**	29,557,988	-
Trade and other payables	**20**	586,109	1,141,382
Total Liabilities		30,633,186	30,469,592
Total Equity and Liabilities		**16,408,250**	**28,932,468**

As permitted by Section 408 of the Companies Act 2006 the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial period was £12,687,812 (2018: £1,535,777). The notes on pages 18 to 33 form part of these financial statements.

Approved by the Board and authorised for issue on 21 June 2021
SP Fitzpatrick
CEO
Sean Fitzpatrick

PWE HOLDINGS PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2020

	Notes	Period ended 31 March 2020 £	Year ended 31 December 2018 £
Cash outflows from operating activities			
Cash consumed in operations	**21**	(1,311,294)	(627,595)
Finance costs paid		(3,368,150)	(431,867)
Net cash outflows from operating activities		(4,679,444)	(1,059,462)
Cash flows from investing activities			
Loans advanced		-	(15,000,000)
Expenditure on development costs		-	-
Purchase of Property, plant and equipment		(1,034,402)	(3,447,550)
Interest received		1,411,417	369,782
Net cash outflows from investing activities		377,015	(18,077,768)
Cash flows from financing activities			
Proceeds from issue of loans			420,611
Proceeds from issue of debentures			28,595,413
Repayment of debentures		(68,000)	-
Repayment of loans		-	(4,214,200)
Repayment of borrowings			-
Net cash outflows from financing activities		(68,000)	24,801,824
Net increase/(decrease) in cash and cash equivalents		(4,370,429)	5,664,594
Cash and cash equivalents at beginning of year		5,705,023	40,429
Exchange difference		3,909	-
Cash and cash equivalents at end of year		1,338,503	5,705,023

Included in note 19 there is a reconciliation of the borrowing liabilities, including cash movements

The notes on pages 18 to 33 form part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2020

	Notes	Period ended 31 March 2020 £	Year ended 31 December 2018 £
Cash outflows from operating activities			
Cash consumed in operations	**21**	(90,072)	(6,279)
Finance costs paid		(3,363,525)	(431,867)
Net cash outflows from operating activities		(3,453,597)	(438,146)
Cash flows from investing activities			
Loans advanced		(2,219,010)	(23,072,335)
Loans repaid		405,055	
Finance Income received		1,411,340	369,272
Net cash outflows from investing activities		(402,615)	(22,703,063)
Cash flows from financing activities			
Proceeds from issue of debentures			28,595,413
Repayment of debentures		(68,000)	(200,000)
Net cash outflows from financing activities		(68,000)	28,395,413
Net (decrease) increase in cash and cash equivalents		(3,924,212)	5,254,204
Cash and cash equivalents at beginning of year		5,254,817	613
Cash and cash equivalents at end of year		1,330,605	5,254,817

Included in note 19 there is a reconciliation of the borrowing liabilities, including cash movement.

The notes on pages 18 to 33 form part of these financial statements.

PWE HOLDINGS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2020

	Share Capital	Preference Shares	Reorganisation Reserve	Retained Losses	Foreign Exchange	Total
As at 1 January 2018	60,000	50,000	15,089	(3,796,854)	-	(3,671,765)
Loss for the year	-	-	-	(3,146,757)	-	(3,146,757)
As at 31 December 2018	60,000	50,000	15,089	(6,943,611)	-	(6,818,522)
Loss for the period	-	-	-	(4,591,170)	3,909	(4,587,261)
As at 31 March 2020	60,000	50,000	15,089	(11,534,781)	3,909	(11,405,783)

Share capital is the amount subscribed for shares at nominal value.

Preference shares were awarded to Just Finance Loans & Investments and have a coupon rate of 12%. They have subsequently been transferred to Green Ops Limited in December 2019. The ultimate beneficial owner remains unchanged.

Accumulated losses represent the cumulative loss of the group attributable to equity shareholders.

The reorganisation reserve arises as a result of the reorganisation accounting adopted as per accounting policy 2.17

Transactions are recorded in the source currency. Balances in the balance sheet are translated at the prevailing month end rate (Source: XE.com).
Transactions in Pure World Energy (Ireland) Limited are recorded in Euros in local books, but translated into Pound Sterling for consolidation purposes. Equity items are translated at historic rates, non-equity balance sheet items are translated at the month end rate and profit and loss items at the average rate.

The notes on pages 18 to 33 form part of these financial statements.

PWE HOLDINGS PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2020

	Share Capital	Preference Shares	Retained Losses	Total
As at 1 January 2018	60,000	50,000	(111,347)	(1,347)
Loss for the year	-	-	(1,535,777)	(1,535,777)
As at 31 December 2018	60,000	50,000	(1,647,124)	(1,537,124)
Loss for the period	-	-	(12,687,812)	(12,687,812)
As at 31 March 2020	60,000	50,000	(14,334,936)	(14,224,936)

Share capital is the amount subscribed for shares at nominal value.

Preference shares were awarded to Just Finance Loans & Investments and have a coupon rate of 12%. These were subsequently transferred to Green Ops Ltd in December 2019. The ultimate beneficial ownership remains unchanged.

Retained losses represent the cumulative loss of the Company attributable to equity shareholders.

The notes on pages 18 to 33 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

1 General information

PWE Holdings plc ("the Company") and its subsidiary (together, the "Group") has been set up to invest in advanced energy technologies which can reduce, produce and manage energy generation. The principal activity of the Group is the ownership and operation of a Combined Heat & Power (CHP) fleet delivering electricity & heat to its client's facilities. The Group is based in the United Kingdom and all entities have been incorporated in the United Kingdom. The address of the registered office is disclosed on the Company information page at the front of the annual report.

The Company was incorporated on 11 May 2016.

The Company is a public limited company. The Company has debentures that are listed on both the Cyprus Stock Exchange and the Irish Stock Exchange.

The Company has changed its financial year-end from 31 December to 31 March and this is the first financial reporting period adopting the new year-end date. The financial statements are therefore for the 15 month period ended 31 March 2020 and as such are not directly comparable.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented unless otherwise stated.

2.1 Going concern

Although there are ongoing losses and net current liabilities which indicates uncertainty regarding going concern, the financial statements have been prepared on the assumption that the Company is a going concern. When assessing the foreseeable future, the directors have looked at the budget for the next 12 months from the date of this report, the cash at bank available as at the date of approval of this report and are satisfied that with the support of the Bondholders the Group should be able to cover its ongoing administrative expenses, finance costs and repayment of any short-term borrowings. Further, to support this decision, the main creditors of the business have provided additional support to defer capital and interest repayments for at least 12 months from the date of approval of these financial statements.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the annual report and financial statements.

2.2 Basis of preparation

Preparation of financial statements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial period beginning 1 January 2019 that would be expected to have a material impact on the Group. The new IFRSs adopted during the year are as follows:

- IFRS 16 – Leases
- IAS 19 – Employee Benefits (amendment)

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial period beginning 1 January 2019 and have not been early adopted. The Directors anticipate that the adoption of these standard and the interpretations in future periods will have no material impact on the financial statements of the Group.

The new standards include:

IFRS 3	Business Combinations (amendments)[1]
IFRS 9	Financial instruments (amendments)[1]
IFRS 17	Insurance Contracts[2]
IAS 1	Presentation of Financial Statements (amendments)[1&3]
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors[1]
IAS 39	Financial instruments[1]

Amendments to conceptual framework [1]

1 Effective for annual periods beginning on or after 1 January 2020

2 Effective for annual periods beginning on or after 1 January 2021

3 Effective for annual periods beginning on or after 1 January 2022

2.3 Consolidation

(a) Subsidiaries

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.
Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

Transactions in Pure World Energy (Ireland) Limited are recorded in Euros in local books, but translated into Pound Sterling for consolidation purposes. Balance sheet items are translated at the month end rate (provided by XE.com) and profit and loss items at the average rate.

(b) Changes in ownership interest in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the group ceases to have control any retained interest in the entity is re- measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.4 Segmental reporting

Operating segments are reported based on financial information provided to the Board, which is used to make strategic decisions. The directors believe that the only operating segment is that of energy technologies and the revenue generated therein, is all undertaken in the UK. Accordingly, no separate segmental reporting has been produced.

2.5 Financial assets and liabilities

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

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

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

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

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

2.6 Revenue recognition

Revenue is recognised in according with the requirements of IFRS 15 'Revenue from Contracts with Customers'. The Company recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

1. Identify the contract(s) with the customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognise revenue when (or as) the entity satisfy a performance obligation.

Revenue represents the value of goods and services supplied to generate heat and power which is performed on contracts with service level agreements and for a stipulated period. For contracts on which revenue exceeds fees rendered, the excess is included as amounts recoverable on contract within other receivables. For contracts on which fees rendered exceeds revenue, the excess is included as deferred income within other payables. Revenues exclude intra-group sales and value added taxes and represent net invoice value less estimated rebates, returns and settlement discounts. The net invoice value is measured by reference to the fair value of consideration received or receivable by the Group for goods supplied

2.8 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

2.9 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.10 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less.

2.11 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred.

Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings consist of interest bearing loans, which are considered to be issued at market rate. Borrowings also consist of interest-bearing debentures, which are quoted.

2.12 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.13 Income tax expense

Current income tax which is payable on taxable profits is recognised as an expense in the period in which the profits arise.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.14 Investments in subsidiaries

Investments are held as non-current assets at cost less any provision for impairment. Where the recoverable amount of the investment is less than the carrying amount, impairment is recognised.

2.15 Leases

Prior to 1 January 2019, leases in which a significant proportion of the risks and rewards are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease. Finance leases are recognised as assets of the Group at the fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The related liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between interest expense and capital redemption of the liability. Interest is recognised immediately in the statement of comprehensive income unless attributable to qualifying assets, in which case they are capitalised to the cost of those assets.

Since 1 January 2019, assets held under leases are recognised as assets of the Group at the fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between interest expense and capital redemption of the liability. Interest is recognised immediately in the statement of comprehensive income unless attributable to qualifying assets, in which case they are capitalised to the cost of those assets.

Exemptions are applied for short life leases and low value assets made under operating leases charged to the statement of comprehensive income on a straight line basis over the period of the lease.

2.16 Property, plant and equipment

Property, plant and equipment are stated at historical cost less subsequent accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Costs that have been incurred as part of the construction costs to bring an asset into existence have been capitalised and are either shown within assets under construction or as plant and machinery when the asset is complete.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Carrying amounts of replaced parts are derecognised and repairs and maintenance are charged to the income statement in the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their useful lives, as follows:
Plant and machinery- 6.7% on cost
Fixtures and fittings - 25% on cost

2.17 Group reorganisation reserve

The Company acquired its 100% interest in Pure World Energy Limited in May 2016 by way of a share-for-share exchange. This is a business combination involving entities under common control and the consolidated financial statements are issued in the name of PWE Holdings Plc, but they are a continuance of those of Pure World Energy Limited. Therefore, the assets and liabilities of Pure World Energy Limited have been recognised in these consolidated financial statements at their pre-combination carrying values. The equity structure appearing in these financial statements (the number and the type of equity instruments issued) reflect the equity structure of the Company including equity instruments issued by the Company to affect the consolidation. The difference between consideration given and net assets of Pure World Energy Limited at the date of acquisition is included in a Group reorganisation reserve.

3 Critical accounting estimates and judgments

The group makes certain judgements and estimates that affect the reported amount of assets and liabilities. Critical judgements and the assumptions used in calculating estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Impairment of receivables

The Company reviews its portfolio of receivables to assess impairment. In determining whether an impairment loss should be recognised the Company makes judgements as to whether a loss event indicates that there is a measurable decrease in the estimated future cash flows of the respective receivable.

3.2 Deferred tax assets

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits.

3.3 Capitalisation of staff costs

Management reviews the amount of time spent by staff working on current installations each month and a percentage of their overall time is allocated to an installation.

4 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

4.1 Financial risk factors

The Group's activities expose it to a variety of risks. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

a) Credit risk
The Group doesn't have any credit risk from lenders at the present time as it has fixed agreements with interest calculated between 6.5% and 12% per annum. The full amount of loans is yet to be paid at the accounting date.

b) Cash flow and Interest rate risk
The Group has the loan with a related party at the accounting date. The Group accounts for the loan at fair value. The Group also has its debentures that are at a fixed rate of interest exposing the Group to fair value interest rate risk. The Group does not manage any cash flow interest rate risk.

c) Liquidity risk
The Group is careful to ensure that its loans and investments can be realised prior to the due date for the repayment of loans. This applies equally to the underlying investments of the companies or projects in which the Group invests.

d) Capital risk
The Group takes great care to protect its capital investments. Significant due diligence is undertaken prior to making any investment. The investment is closely monitored.

e) Market risk
The Group currently operates only in the United Kingdom and is exposed to market risks in that jurisdiction. A general economic downturn at a global level, or in one of the world's leading economies, could also impact on the Company. In addition, terrorism and other hostilities, as well as disturbances in worldwide financial markets, could have a negative effect on the Group. Regulatory requirements, taxes, tariffs and other trade barriers, price or exchange controls or other governmental policies could also limit the Group's operations. These risks are also applicable to most companies and the risk that the Group will be more affected than the majority of companies is assessed as small.

f) Price risk
The principal activity of the Group is the ownership and operation of Micro Power Stations (MPS) to sell energy to its clients. The Group does not have a diversified portfolio of services and is therefore at risk.

g) Foreign Exchange risk
A high proportion of the Group's capital expenditure is conducted in US dollars. Any adverse movements between sterling and US dollars could have a detrimental impact upon the Group. Currently no hedging is conducted in respect of this risk.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2020

4.2 Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure appropriate for its growth plans.

In order to maintain or adjust the capital structure the Company may issue new shares or alter debt levels. There were no changes to the objectives, policies or processes either during the period to 31 March 2020.

5 Segment information

The Group's single line of business is the provision of advanced energy technologies, which can reduce, produce and manage the energy needs of its clients. The Group's primary reporting format is determined by the geographical segment according to the location of its establishments. There is currently only one geographic reporting segment, which is the UK. All costs are derived from the single segment.

6 Operating loss

	Group 2019-20 £	Group 2018 £
Operating loss is stated after charging:		
Directors' emoluments	197,222	213,750
Depreciation of tangible assets	537,405	355,036
Audit fees	25,800	13,500

7 Employee benefit expense

	Group 2019-20 £	Group 2018 £
Wages and salaries	676,996	689,886
Directors emoluments	197,722	213,750
Social security costs	101,632	79,778
Defined contribution pension scheme costs	12,847	13,699
	989,197	997,113

Within directors emoluments above is the amount paid during the period to the highest paid Director of £156,250 (2018: £125,000)

The average monthly number of employees (including directors) during the period was:

	2019-20 Number	2018 Number
Directors	2	3
Staff	11	13
	13	16

8 Finance income and costs

	Group 2019-20 £	Group 2018 £
Finance income		
Bank Interest	76	510
Loan Interest	1,411,341	369,272
	1,411,417	369,782
Finance costs		
Debenture Costs	3,589,427	1,837,267
Other interest paid	735,628	654,033
	4,325,055	2,491,300

9 Taxation

	Group 2019-20 £	Group 2018 £
Total current tax	-	-
Factors affecting the tax charge for the period		
Loss on ordinary activities before taxation	(4,591,170)	(3,146,757)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (2018: 19%)	(872,322)	(597,884)
Effects of:		
Capital allowances in excess of depreciation	(91,876)	(146,503)
Non-deductible expenses	382	618
Revenue items capitalised	-	(8,487)
Tax losses carried forward	963,816	752,256
Current tax charge for the period	-	-

The Group has estimated tax losses of £14,751,550 (2018 - £9,582,423) available for carry forward against future trading profits. The deferred tax assets at a rate of 19% at the year-end of £2,802,795 (2018 - £1,820,660) has not been recognised in the financial statements due to the uncertainty of the recoverability of the amount.

10 Loss per share

Basic earnings per share is calculated by dividing the earnings attributable shareholders by the weighted average number of ordinary shares outstanding during the period. Reconciliations are set out below:

	2019-20	**2018**
Earnings/(losses) attributable to ordinary shareholders	(4,591,170)	(3,146,757)
Weighted average number of shares	600,000	600,000
Basic and diluted earnings/(loss) per share	(7.65)	(5.24)

11 Dividends

No dividends were paid or proposed for the period ended 31 March 2020.

12 Fixed asset investments

Company

	Shares in group undertakings £
Cost At 31 December 2018	60,000
Acquisition in period	88
At 31 March 2020	**60,088**

The group had the following subsidiaries and associates at 31 March 2020, all of which have been included in the Group consolidation:

Name	**Country of incorporation and place of business**	**Nature of business**	**Proportion of ordinary shares held by parent and group (%)**
Pure World Energy Limited	UK	Operation of CHP fleet	100.0
Pure World Energy (Ireland) Limited	Ireland	Operation of CHP fleet	100.0

13 Property, plant and equipment (Group)

	Assets under Construction	Plant and machinery	Office Equipment	Tools/Machinery	Van	Total
Cost or Valuation	£	£	£	£	£	£
At 1 January 2018	1,088,725	4,761,123	16,656	0	0	5,866,504
Additions	3,203,067	850,917	8,098	0	0	4,062,081
Transfers	(667,033)	0	(694)	0	0	(667,727)
At 31 December 2018	3,624,759	5,612,040	24,060	0	0	9,260,858
Depreciation						
At 1 January 2018	0	646,476	10,628	0	0	657,104
Charge for year	0	350,038	4,998	0	0	355,036
At 31 December 2018	0	996,514	15,626	0	0	**1,012,140**
Net Book Value						
At 31 December 2018	**3,624,759**	**4,615,526**	**8,433**	**0**	**0**	**8,248,718**
Cost or Valuation						
At 1 January 2019	3,624,759	5,612,040	24,060	0	0	9,260,858
Additions	1,863,409	1,415,058	9,049	11,255	20,309	3,319,080
Transfers	(2,276,494)	(8,180)	0	0	0	(2,284,674)
At 31 March 2020	3,211,674	7,018,918	33,109	11,255	20,309	10,295,265
Depreciation						
At 1 January 2019	0	996,514	15,626	0	0	1,012,140
Charge for year	0	528,291	4,718	157	4,538	537,704
At 31 March 2020	0	1,524,805	20,344	157	4,538	**1,549,843**
Net Book Value						
At 31 March 2020	**3,211,674**	**5,494,113**	**12,766**	**11,098**	**15,771**	**8,745,422**

Assets under construction

The Group has paid for goods and services and allocates a portion of operating and finance costs when constructing power units at each site. These costs which have been capitalised are treated as 'assets under constructions' within tangible fixed assets and are transferred to 'plant and machinery' once the power unit becomes operational.
Finance costs capitalised for the period was £nil (2018 - £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2020

14 Trade and other receivables

	Group 2019-20 £	Group 2018 £	Company 2019-20 £	Company 2018 £
Current				
Trade receivables	262,093	205,987	-	-
Other receivables	3,900	-		
Prepayments	221,923	56,819	17,557	19,846
VAT Receivable	29,274	100,482	-	-
Accrued Revenue	222,471	28,740	-	-
Non-Current				
Amounts owed by Group undertakings	-	-	-	8,597,805
	739,661	**392,028**	**17,557**	**8,617,651**

15 Financial Assets

Financial assets are measured at amortised cost. During the period the Group had on deposit £15,000,000 (2018: £15,000,000) with JCF-PWE Limited, a company under common control. These funds are repayable on 60 days' notice and are fully guaranteed by JLG Group Plc. Interest on these funds is being accrued at a rate of 9.5% per annum.

16 Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at banks and on hand and deposits with banks. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Statement of Financial Position as follows:

	Group 2019-20 £	Group 2018 £	Company 2019-20 £	Company 2018 £
Cash and cash equivalents	1,338,503	5,705,023	1,330,605	5,254,817

The carrying amount of cash and cash equivalents approximates to its fair value.

17 Share Capital

	2019-20 £	2018 £
Allotted, called up and fully paid		
600,000 Ordinary shares of £0.10 each	60,000	60,000

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) right; they do not confer any rights of redemption.

On 11th May 2018, the Company subdivided its share capital from 60,000 ordinary shares worth £1 each to 600,000 ordinary shares worth £0.10 each.

17 Share Capital (continued)

On 11th May 2018, the Company issued 80,000 share options to Executive Directors of the Group with an exercise price of 10 pence. The options vest over a two-year period from the date of grant, subject to certain non-market based performance conditions being met. The options will lapse if not exercised within 5 years from the date of grant, being 11th May 2023. Based on the information available to management at the date of this report, none of the 80,000 options are expected to vest and as such no share option charge has been recognised for the year.

5,000 Preference shares of £10 each	50,000	50,000

The preference shares have attached to them no voting rights, a fixed 12% dividend (only from profit), and capital distribution (including on winding up) right. There is no set redemption date.

18 Retained losses

	Group £	Company £
At 1 January 2019	(6,943,611)	(1,647,124)
Loss for the period	(4,591,170)	(12,687,812)
At 31 March 2020	(11,534,781)	(14,334,936)

19 Borrowings

	Group 2019-20 £	Group 2018 £	Company 2019-20 £	Company 2018 £
Current				
Debentures and other loans	29,564,050	-	29,557,988	-
Non-Current				
Debentures and other loans	6,782,378	34,877,577	489,089	29,328,210
	36,346,428	34,877,577	30,047,077	29,328,210

All commissions due on debentures have been deferred against the debentures to which they relate.

The debentures and Bonds are secured by a charge over all of the assets of the Group, and bear interest as per below. Interest on 2021 debentures is paid in quarterly instalments and interest on 2020 Bonds paid in two half yearly instalments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2020

	Issued at year-end	Repayment date	Annual interest
2021 Debentures	£ 532,019	31 December 2021	8.50%
2020 Bonds	£30,00,000	31 December 2020	6.50%

Other loans have been advanced by Just Finance Loans and Investments Plc a related party (see note 25 and carry interest at 12% per annum. The loan is repayable as soon as the Company becomes profitable.

The table below is a reconciliation of the movement of Group and Company borrowings for the period to assist users of the financial statements in their understanding of the figures.

	Total Company £	Total Group £
B/f 1.1.2019	29,328,210	34,877,577
Prepaid Fees Released to p&l	732,139	732,139
Debenture interest re-invested (non cash)	17,600	17,600
Re-allocation of bonds held in treasury (non cash)	24,800	24,800
Redemption of debentures - cash expense	(68,000)	(68,000)
Debenture fees prepaid and recognised quarterly (non cash)	12,328	12,328
Ecoquest interest accrued (non cash)	-	734,300
Van - right of use asset (non cash)	-	15,684
C/f 31.03.2020	30,047,077	36,346,428

20 Trade and other payables

	Group 2019-20 £	Group 2018 £	Company 2019-20 £	Company 2018 £
Trade payables	**134,072**	**212,912**	**6,011**	**105,667**
Taxation and social welfare	**27,779**	**24,376**	**-**	**-**
Accruals	**721,090**	**1,049,428**	**580,098**	**1,035,715**
	882,941	**1,286,716**	**586,109**	**1,141,328**

Accruals principally comprise amounts outstanding for on-going expenses and accrued interest on issued debentures. The carrying amount of other payables approximates to its fair value.

21 Cash generated from operations

	Group 2019-20 £	Group 2018 £	Company 2019-20 £	Company 2018 £
Loss before taxation	(4,591,170)	(3,146,757)	(12,687,812)	(1,535,777)
Adjustments for:				
Depreciation	537,700	355,036	-	-
Amortisation	-	-	-	-
Loss on disposal of fixed assets	-	53,194	-	-
Finance costs	4,325,054	2,491,300	3,589,427	1,837,263
Finance income	(1,411,417)	(369,782)	(1,411,340)	(369,272)
Impairment of intangible assets	-	-	10,411,760	-
Changes in working capital:				
- (Increase)/Decrease in trade and other receivables	(347,633)	(120,833)	2,289	14,023
- Increase/(Decrease) in trade and other payables	176,172	110,247	5,604	47,484
	(1,311,294)	(627,595)	(90,072)	(6,279)

22 Control

The ultimate controlling party is John Davies.

23 Related party transactions

Group

At the year-end, Just Finance Loans and Investments Plc, a related party by virtue of its interest in 70.5% of the shares in PWE Holdings plc, was owed £6,283,667 (2018 - £5,549,367). Loans carry interest at 12% and are repayable when the company becomes profitable.

23 Related party transactions (continued)

Company

At the year-end, PWE Holdings plc, a related party by virtue of its interest in 100% of the shares in Pure World Energy Limited, was owed £10,411,760 (2018 - £8,597,805). Due to the uncertainty regarding recoverability of the loan, it was decided to fully impair the amount and this has been written off to the profit and loss in the period.

During the year the Group had on deposit £15,000,000 (2018: £15,000,000) with JCF-PWE Limited, a Company under common control. These funds are repayable on 60 days' notice and are fully guaranteed by JLG Group Plc. Interest on these funds is being accrued at a rate of 9.5% per annum.

24 Contingent liabilities

The Group has no contingent liabilities in respect of legal claims arising from the ordinary course of business.

25 Capital commitments

There was no capital expenditure contracted for at the end of the reporting period but not yet incurred.

26 Lease Disclosure

Prior to 1 January 2019, leases in which a significant proportion of the risks and rewards are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease. Finance leases are recognised as assets of the Group at the fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The related liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between interest expense and capital redemption of the liability. Interest is recognised immediately in the statement of comprehensive income unless attributable to qualifying assets, in which case they are capitalised to the cost of those assets.

Since 1 January 2019, assets held under leases are recognised as assets of the Group at the fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between interest expense and capital redemption of the liability. Interest is recognised immediately in the statement of comprehensive income unless attributable to qualifying assets, in which case they are capitalised to the cost of those assets.

Exemptions are applied for short life leases and low value assets made under operating leases charged to the statement of comprehensive income on a straight line basis over the period of the lease.
The Group has ongoing lease payments which qualify for exemption under IFRS 16 being short term or low value.

The Group holds no leases which do not qualify for exemption from capitalisation in the accounting period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2020

Lease type	Expensed in the profit and loss in the period		Lease commitments due		
	2019/20	2018	Within one year	2-5 years	Over 5 years
Capitalised under IFRS 16	NA	NA	NA	NA	NA
Low value exemption taken	1033	NA	973	973	-
Short term exemption taken	78,616	NA	37,283	-	-

27 Events after the reporting period

Signed our first large scale industrial CHP project in the Food Processing & Packing sector – 865 KW CHP with steam, plant to commence operation in Q2 2021

Agreed our first Waste Water Treatment project to convert Biogas to energy whilst reducing emissions – 800 kW. Project to be commissioned in Q1 2021

HELLOSIGN

Audit trail

TITLE	PLC Annual Report
FILE NAME	210618 PLC Annual Report - Final .pdf
DOCUMENT ID	bb9c5b636898ac2b1d4177b178f139649f090bc4
AUDIT TRAIL DATE FORMAT	MM / DD / YYYY
STATUS	● Completed

Document history

SENT	**06 / 18 / 2021** 16:46:54 UTC	Sent for signature to Sean Fitzpatrick (sean.fitzpatrick@pureworldenergy.com) from andrea.chandler@pureworldenergy.com IP: 86.24.124.252
VIEWED	**06 / 18 / 2021** 17:07:36 UTC	Viewed by Sean Fitzpatrick (sean.fitzpatrick@pureworldenergy.com) IP: 46.64.215.114
SIGNED	**06 / 18 / 2021** 17:08:24 UTC	Signed by Sean Fitzpatrick (sean.fitzpatrick@pureworldenergy.com) IP: 46.64.215.114
COMPLETED	**06 / 18 / 2021** 17:08:24 UTC	The document has been completed.