ACTIVE ENERGY GROUP PLC

ANNUAL REPORT & ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Company Registration Number: 03148295

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

CONTENTS **PAGE**

Frequently used abbreviations/definitions

Active Energy Group plc	"Active Energy", the "Company"
CoalSwitch®, the registered trademark	"CoalSwitch®"
CoalSwitch® US reference production facilities, namely:	
• Ashland, Maine, United States	the "Ashland Reference Facility"
Active Energy Group's CoalSwitch® Test Program.	the "CoalSwitch® Program"

ACTIVE ENERGY GROUP PLC

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

Operational Highlights:

In 2023, our production and engineering partner Player Design Inc.("PDI") was awarded the requisite permits to complete a full-scale construction and the installation of the requisite equipment to allow first production of CoalSwitch® fuel at the Ashland Reference Facility in Maine. Construction of the Reference Facility at Ashland commenced in mid-2023 by PDI and its associates. As the end of 2023 approached, various announced deadlines in regard to construction of the Reference Plant and for the commencement of production of CoalSwitch® fuel had not been achieved.

At that time, PDI informed Active Energy that further delays in the commencement of production from the Reference Facility at Ashland were inevitable and indicative production deadlines would subsequently extend further into H1 2024. PDI also indicated that it was unwilling to continue with the existing commercial arrangements between PDI and Active Energy and PDI wished to terminate its relationship with Active Energy.

A legal settlement was agreed between the parties in 2024 involving the termination of all previous contractual obligations, the return of all relevant intellectual property belonging to Active Energy and the return of financial contributions previously made by Active Energy to PDI toward the development of the Ashland Reference Facility. We announced the settlement in an RNS on 5th March 2024.

In March 2024, Active Energy undertook a strategic review. The Board concluded that there were insufficient resources and time available to build an alternate reference production facility and alternate corporate options, either strategic or asset sale, should be pursued. All options were actively pursued by the management team during Q2 and Q3 2024, but corporate deadlines overshadowed much of these discussions.

In April 2024, corporate actions were taken for immediate corporate cost cutting as strategic discussions continued. Notable concerns were raised on (1) ongoing corporate costs and (2) the timing and preparation of the audited accounts. Planning was also undertaken to seek the shareholders permission for a member's voluntary liquidation and the distribution of assets to shareholders. In May 2024 the corporate cost cutting program commenced with the immediate closure of the US operations.

At the end of June 2024, Active Energy failed to publish its accounts, and in accordance with the AIM Rules, the shares were suspended from trading. A meeting of shareholders was called for July 27th, 2024, to consider the proposal for the member's voluntary liquidation. The shareholders rejected the proposals. In the meantime, the Board still continued to look for alternate corporate or strategic options throughout this entire period and had held active negotiations with a number of prospective parties.

During Q3, discussions commenced with Zen Ventures and Zen Ventures provided the requisite and immediate funding to allow Active Energy to complete the preparation and publication of the 2023 Financial Statements Zen Ventures formalised these loan arrangements with a convertible loan facility and debenture issued on October 31st, 2024. At this juncture, the non-executive directors resigned from the Board.

On December 13th, 2024, the audited accounts for FY 2023 were published and trading of the shares resumed on December 18th, 2024. Zen appointed 2 new directors, namely Paul Elliott and Pankaj Rajani to the Board on 27th January 2025.

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

During 2024, the intellectual property portfolio (including both patents and trademarks) for CoalSwitch® fuel was maintained, in the US, Canada and internationally. Throughout the year, the Board sought to seek any opportunities to realise monetary value for these assets and all other strategic holdings, including Alpha Prospects plc.

Financial Highlights:

- Operating Loss for the year of £1,854,088 (2023: £23,478,173).
- Cash at bank as at 31 December 2024 £4,273 (2023: £30,190).
- Basic and diluted loss per share from continuing operations of £1.15 cents (2023: loss per share of £14.50 cents).

Activities post the year end:

- During late 2024 the company received funding of £262,500 from Zen Ventures Limited which comprised £200,000 of convertible loan notes and a secured loan of £62,500. The convertible loan note instrument was approved by the Company at its AGM on 27 February 2025.

- On the 27 January 2025 Paul Elliott and Pankaj Rajani were appointed directors of the Company. On the 27 February 2025 James Leahy resigned as Non-Executive Chairman and Michael Rowan resigned from his role as Chief Executive Officer for Active Energy. On the 28 March 2025, Michael Rowan resigned as a director of Active Energy Group plc.

- On 27 February 2025 the Company's Ordinary Shares were subdivided into one new Ordinary Share and nine new Deferred Shares for each existing Ordinary Share. This subdivision did not alter the number of Ordinary Shares in issue or the total nominal value of the Company's issued share capital.

- In April 2025 the Company issued £200,000 of unsecured convertible loan notes to Wager Holdings Limited pursuant to a new convertible loan note instrument executed on 17 April 2025. This instrument created £500,000 of new unsecured interest free convertible loan notes which are redeemable on or before 31 December 2025 or, at the option of the holder, convertible into new Ordinary Shares in the Company.

STRATEGIC REPORT

COMPANY STRATEGY

The Company's strategy was to realise the maximum value of the CoalSwitch® intellectual property. Active Energy was unable to produce CoalSwitch® fuel and in light of this, the Board does not consider that the Company's existing KPIs have any continuing relevance.

The Companies established KPIs for 2024 are summarised below and naturally, given the circumstances, many of these KPIs were not achieved during 2024.

What are the Company's Key Performance Indicators?

- Seek a viable settlement agreement with Player Design Inc. whom in January 2024 had confirmed it wished to terminate all commercial links with Active Energy.
- Seek a new strategic partner to allow Active Energy to continue to execute its business strategy toward the production of CoalSwitch® fuel.
- Focus its efforts on trying to monetise its CoalSwitch® intellectual property in all relevant territories.
- Control all corporate costs and cut all non-essential spending.
- Seek an alternate strategic plan to avoid bankruptcy and create a viable solution for the Company which allows the shareholders the opportunity for some form of shareholder returns.

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How have we performed in 2024?

- In March 2024, a settlement agreement was reached between Active Energy and Player Design Inc. for the payment of a sum $1.65 million and the protection of Active Energy's existing intellectual property portfolio.
- During Q2, the Board held a series of discussions with several parties about both strategic opportunities to invest in the Company or the opportunity for the sale or license of the CoalSwitch® intellectual property worldwide. However, none of these discussions resulted in a pathway forward which would allow the Company to commence CoalSwitch® production.
- In May 2024, the Board decided to terminate its operations in the United States and release the Company's US management team from their employment. At the same time, appropriate corporate cost cutting was carried throughout the organisation.
- In September 2024, after several discussions with various prospective commercial partners, Active Energy Group accepted an offer from Zen Ventures to provide a loan to the Company to enable the preparation and completion of the FY2023 accounts which remained outstanding.
- Throughout 2024, the Company continued to maintain the current CoalSwitch® IP portfolio. This included both patents issued in North America, Malaysia and Europe and corresponding trademarks in each of these territories and requisite applications in additional countries such as Japan.

Further key risks and uncertainties faced by the Company are disclosed on pages 10 to 12.

ACTIVE ENERGY GROUP PLC

BOARD STATEMENT

Executive Summary

Active Energy Group plc ("Active Energy" or the "Company") spent the majority of 2024 focused on attempting to continue the business model for the development and production of CoalSwitch® fuel. In similar circumstances to events in 2023, the Company continued to face significant challenges ranging from handling the commercial production partnerships in Maine to the continuing efforts to source additional working capital for such projects.

As events unfolded and, despite all the hard efforts made by each member of Active Energy's management team, the Company had to sadly succumb to economic realities and seek either a new strategic partner to allow Active Energy to continue to execute its business strategy or seek an alternate strategic plan to avoid bankruptcy and create a viable solution for the shareholders.

Operational Review for 2024

The beginning of 2024 presented a series of new challenges. Active Energy's publicly stated strategy to produce next generation biomass fuels, known as CoalSwitch®, had been based upon two key components to drive toward production and future commercial success, and these were: -

1. *Fuel Production Development at the Ashland Reference Facility in Maine (the "Ashland Reference Facility")*: Working with our production partner Player Design, Inc. ("PDI") through 2022 and 2023, the Company's goal had been to establish an operational production platform for CoalSwitch® fuel samples. In 2023, PDI had completed certain construction milestones toward completion of the Ashland Reference Facility, including the award of the requisite construction permits to allow full scale construction and the first installation of the core manufacturing components. However, these processes were always behind project time schedules.

2. *Accelerate the market opportunities for CoalSwitch® fuel*: While PDI focused on the production challenges, Active Energy had continued to drive toward commercial leads and gather additional prospective customer interest. In 2023, Active Energy had invested in a new management team with significant expertise in the biomass industry and this had provided significant credibility to Active Energy's franchise. Their knowledge and commitment toward the future success of CoalSwitch® fuel was unique. The inability to produce and deliver fuel samples during 2023 and 2024 proved extremely frustrating for both potential customers and the management team alike.

Cessation of the Partnership by PDI

After the various project delays at the Ashland Reference Facility had been communicated to the Board during the second half of 2023 and in early 2024, the Board had become increasingly concerned about Player Design's commitment toward any future working commercial partnership with Active Energy. This extended to concerns on the willingness by Player Design to complete the Ashland Reference Facility and the future production of any CoalSwitch® fuels. In the meantime, Active Energy had continued to market CoalSwitch® fuels to prospective customers and started to explore alternate production opportunities.

In January 2024, the Company announced that Player Design had informed the Company that it was no longer willing or able to commit to offer a future production date for the CoalSwitch® fuels or confirm any future production volumes from the Ashland Reference Facility. Player Design also stated that it wished to terminate all its commercial links with Active Energy, although it provided no substantive reasons for reaching its conclusion. The Board attempted over several weeks to seek a commercial compromise, even proposing a limited production run of CoalSwitch® fuels from the Ashland Reference Facility to allow the Company to continue its own independent commercial discussions with prospective customers.

PDI was not prepared to offer any kind of compromise and Active Energy was forced to enter into legal settlement discussions. In March 2024, a settlement agreement was agreed between the parties regarding the former business activities between the parties and activities at the Ashland Reference Facility (the "Settlement Agreement').

Under the terms of the Settlement Agreement, Player Design agreed to pay the Company the sum of $1.65m to cover; (i) the return of cash proceeds formerly committed by the Company toward the development of the Ashland Reference Facility; (ii) transferring the ownership of certain production equipment located at the Ashland Reference Facility from the Company to Player Design; and, (iii) Player Design retaining ownership of its specific know how for its production methods at the Ashland Reference Facility. These rights did not infringe upon Active Energy's existing intellectual property portfolio. The Board and shareholders remain highly disappointed by the actions of Tyler Player and Player Design to not finish the Ashland Reference Plant.

Strategic Review

During March 2024, the Board commenced a strategic review to consider all options regarding the future operations of the Company, the future commercialisation of CoalSwitch® fuels and sourcing any alternate funding options for both the Company and/or for a specific future production project. At that time, the commercial backdrop for Active Energy and the industry was not encouraging, notably with the continuing weakness in the capital markets in London and more importantly, the public demise of Enviva Biomass Fuels Inc into Chapter 11, an American insolvency proceeding, during the second quarter of 2024. Sentiment for Active Energy and the biomass industry remained weak, and all these factors compounded the challenges then faced by the Company.

In April 2024, the Board held a series of discussions with several parties about both strategic opportunities to invest in the Company or the opportunity for sale or license of the CoalSwitch® intellectual property worldwide. In each instance there was commercial interest, however, the timing and speed of these discussions became more critical given Active Energy's financial circumstances. The Board remained vigilant of the need to preserve the Company's finite capital resources then available.

Considering all this, in early May 2024, the Board decided to terminate its operations in the United States and release the Company's US management team from their employment. The operational team were released from their contractual obligations to seek alternate employment opportunities. At the same time, a series of immediate cost-cutting exercises were implemented in the United Kingdom to minimise all day-to day running expenses for the PLC and only allow for the maintenance of sufficient resources for potential ongoing strategic discussions to continue. The Board remains extremely grateful for each team member's dedication during 2023 and 2024 and their loyalty during these difficult circumstances.

The Board continued its strategic conversations until mid-June 2024, at which point it was evident to the Board that any acceptable offer for the assets belonging to CoalSwitch® was unlikely to be achieved in the short term and that there was unlikely to be an immediate offer the PLC of itself. On 20th June 2024, the Board resolved that in the event that any outstanding negotiations failed, then it would be prudent to propose a members' voluntary liquidation to the shareholders given the then limited cash resources available to it.

Corporate Actions on June 30th, 2024

Active Energy had been unable to publish its audited accounts for the financial year ended December 31st, 2023 ("2023 Accounts') and in accordance with the AIM Rules and on July 1st, 2024, the shares were suspended from trading until such time as the accounts are published.

On 22nd July 2024, the Board convened a shareholder meeting to consider two resolutions, namely (i) the cancellation of admission to trading on AIM of the Company's shares and (ii) to undertake a members' voluntary liquidation in order to affect a solvent winding up of the business. The meeting was held on 22nd July 2024; but neither resolution obtained the requisite shareholder's approval.

Actions following the Shareholder’s Meeting

Following the conclusion of the shareholder meeting, the Board accelerated its efforts to seek an alternate strategic investment. Discussions took place with several different prospective parties during Q3. All actions remained under the continuing scrutiny of a proposed corporate liquidator who assisted the Board throughout the entire discussion processes with prospective investors and ensured that any offers were appropriately analysed and duly considered by the Board.

Investment by Zen Ventures Limited (“Zen”)

Discussions with Zen Ventures had commenced in the second quarter of 2024, but the negotiations began in earnest in September 2024. Zen is a property development company based in Manchester. To demonstrate their good faith in negotiations, on 15th October 2024, Zen agreed to provide a loan of £125,000 (which contained a non-refundable deposit) to Active Energy on the understanding that these proceeds were to be used exclusively for the preparation and completion of the 2023 Accounts. The Board agreed to this, and all action was immediately put into effect to ensure the exercise to complete of these accounts could be achieved within all regulatory timelines.

On October 31st, 2024, these arrangements were concluded in a formal convertible loan agreement made between Zen Ventures Limited and the Company, confirming all the payment proceeds then made to date to the Company (amounting to GBP 200,000) and ensuring that any additional monies required to complete the preparation of the 2023 Accounts would be made available by Zen during the fourth quarter of 2024. On that date, Max Aitken and Jason Zimmerman resigned as Directors of Active Energy Group plc.

Events during Q4 2024

During the final quarter, all focus by the management team was upon completion of the 2023 Accounts and the completion of the interim management accounts for the period ending 30th June 2024. These were completed and published on 13th December 2024 and 18th December 2024 respectively, and accordingly trading on the shares of the Company resumed on the AIM market on 18th December 2024

CoalSwitch® Intellectual Property and Alpha Prospects PLC (“Alpha Prospects”)

Throughout the entire year, Active Energy had continued to maintain the current CoalSwitch® IP portfolio. This included both patents issued in North America, Malaysia and Europe and corresponding trademarks in each of these territories and requisite applications in additional countries such as Japan. The Board believed that the continued maintenance of these assets could create additional value for shareholders should any relevant purchaser be found for them.

In addition, Active Energy continues to hold an equity interest in Alpha Prospects PLC amounting to circa 3.8% of the share capital outstanding. Alpha Prospects is an investment company that focuses on “green investments” and in particular to support inventor, Malcolm Bendall in the development of the Molten Sea Ark Atomic Reconstruction Technology – MSAART. This invention and the associated development of Plasmoid Power has the potential to dramatically reduce carbon emissions and assist the world in meeting CO2 emission reduction targets. The Board remains wholly supportive of Alpha Prospects business case, and it will consider its relevance in forthcoming strategic reviews.

Company Update on Strategic Review and Financing

Paul Elliott has been appointed CEO replacing Michael Rowan who resigned on the 28th March 2025. Pankaj Rajani has been appointed Non-Executive Chairman replacing James Leahy who resigned on 27th January 2025.

The Company remains committed to exploring opportunities that generate value for its shareholders. This includes both the monetisation of existing assets and the evaluation of new investment opportunities that align with our strategic objectives.

As part of this process, the Company will continue to exercise strict financial discipline, ensuring that costs are maintained at a minimal level to preserve resources and maximise potential returns. During this period, the Company's financing requirements will continue to be supported by Zen ventures Ltd, providing the necessary stability to pursue these initiatives effectively.

The Board will provide further updates as developments progress.

Going concern

The Directors have given careful consideration to the appropriateness of the going concern basis in the preparation of the Annual Report and Financial Statements for the year ended 31 December 2024. Further details of the Company's current financial position and ability to continue as a going concern are to be found in the Financial Review and in Note 1 of the Financial Statements. The Directors are confident that the funding required for the Company to continue as a going concern for the next twelve months will be available and have therefore prepared the Financial Statements on a going concern basis.

Paul Elliott
Chief Executive Officer

Signed
Date: 27 June 2025

Pankaj Rajani
Non-Executive Chairman

Pankaj Rajani

Signed
Date: 27 June 2025

ACTIVE ENERGY GROUP PLC

FINANCE REVIEW FOR THE YEAR ENDED 31 DECEMBER 2024

The Company Financial Statements for the year ended 31 December 2024 (“Current Year”) is compared to the year ended 31 December 2023 (“Prior Year”).

Financing

The Company received cash of £262,500 from Zen Ventures Limited during the year through the issue of £200,000 of secured convertible loan notes and a secured repayable on demand loan of £62,500. The loan notes were approved by the shareholders at the AGM held on the 27th February 2025. The Company had net cash of £4,273 at the end of the year (2023: £30,192).

Subsequent events

The Company has been unable to secure a new commercial partner with whom to commercialise its CoalSwitch® technology but continues to own the intellectual property to produce a black pellet fuel. In April 2024 the Board decided to scale back the operations of the Company and focus its efforts on trying to monetise its CoalSwitch® Technology. On 27th January 2025, Paul Elliott and Pankaj Rajani were appointed to the board of directors.

Fundraising activities through 2024

The Company received cash of £262,500 from Zen Ventures Limited during 2024.

Performance

The beginning of 2024 presented a series of new challenges. Active Energy’s publicly stated strategy to produce next generation biomass fuels had been based upon two key components to drive toward productions and future commercial success. (1) Production Development at the Ashland Reference Facility in Maine and (2) Accelerate the market opportunities for CoalSwitch® fuel. After the various project delays at the Ashland Reference Facility gad been communicated to the Board during the second half of 2023 and in early 2024, the board became increasingly concerned about PDI’s commitment toward any future working commercial partnership with Active Energy. This extended to concerns on the willingness by Player Design Inc. to complete the Ashland Reference Facility and the future production of any CoalSwitch® fuels. In January 2024 Player Design Inc had informed the Company that it was no longer willing to commit to offer a future production date for the CoalSwitch® fuels. Player Design Inc. also stated it that it wished to terminate all of its commercial links with Active Energy and provided no substantive reason for this. The Board attempted over several weeks to reach a commercial compromise but as Player Design Inc. was not willing to offer any kind of compromise Active Energy was forced to enter into costly legal settlement discussions. In March 2024 a settlement agreement was reached and Player Design Inc. paid Active Energy $1.65m which comprised the return of deposits on account made by Active Energy toward the Ashland Reference Facility and transferring ownership of certain production equipment located at the Ashland Reference Facility.

The Company continued its tight financial controls and treasury management within its finance department during 2024 to ensure use of funds is kept in line with enhancing shareholder’s investment and this has continued to date. Given the current situation the company finds itself in the company continues to try to find ways of enhancing shareholders return on investment in the most efficient and effective way it possibly can.

Continuing/discontinued operations

The overall loss for the year was £1,854,088 (2023: £23,478,173) with a basic and diluted loss per share of £1.15 cents (2023: £14.50 cents).

Administrative costs decreased year on year due to cost cutting measures at £1,475,052 (2023: £2,027,640).

Non-current assets

The CoalSwitch® Equipment and certain components of the plant and equipment held at the Ashland Reference facility were sold during the year to PDI as part of the PDI settlement agreement.

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

Current assets

Trade and other receivables of £29,156 (2023: £46,350) consist mainly of £25,062 of VAT repayments due from HMRC at year end. This refund was repaid post year end.

Current liabilities

Trade and other payables were £184,520 (2023: £382,911). The company continued with stringent cost management reducing the trade payables due at year end significantly. Trade payables were £18,378 in 2024 and £172,444 in 2023.

Loans and borrowing have increased to £258,093 from £10,137 primarily due to the loan finance received from Zen Ventures Ltd during the year (including the convertible loan notes issued).

Cashflow

Operating cash outflows were £1,555,873 (2023: £2,070,885). The reduced outflow results from the reductions in working capital and cost management measures.

Net cash flows from investing activities during the year amounted to £262,500 which was received from Zen Ventures Ltd. (2023: £NIL)

Cash and cash equivalents of £4,273 were on hand at December 2024 year end (2023: £30,192).

Going concern

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

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

In April 2025 the Company received loan note finance of £200,000 from Wager Holdings Limited under the terms of a new convertible loan note instrument that also allows for a further £300,000 of loan notes to be issued, although no commitment has been made to provide such further funding. To the extent that they have not converted into new Ordinary Shares in the Company the loan notes are redeemable in full on 31 December 2025, or such later date as is agreed between the Company and the noteholders.

The Company has also received a commitment from Zen Ventures Limited and parties connected to Zen Ventures Limited to provide such additional future funding as the Company might require to enable it to settle its liabilities as they fall due for at least one year from the date of approval of these financial statements.

The Board, having reviewed the cash flow forecasts, expect the Company to be able to settle its liabilities as they fall due for at least one year from the date of approval of these financial statements. The financial statements have therefore been prepared on a going concern basis.

However, there is no guarantee that further loan note funding will be available or that it will be possible to agree an extension to the loan note redemption date, if required, and it is possible that Zen Ventures and its connected parties might not be able to provide sufficient financial support at such time as the Company might require it. The Board consider that these risks, taken together, represent a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

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

Section 172 Statement

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

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

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

Risk (Board's view of the change in status since 2023)	**2024 Outcome and Mitigation Action**
STRATEGIC	
Governmental development of policies to support an environmental improvement agenda ***(Unchanged)***	Whilst limited in the resources to affect global or US federal policy change, the Company will utilise the resources at its disposal to positively affect policy direction.
Risk (Board's view of the change in status since 2023)	**2024 Outcome and Mitigation Action**
FINANCIAL	**Growth and expansion are reliant on access to capital**
(1) Insufficient cash resources to maintain as a going concern ***(Unchanged)***	Cash management remains critical at this vital point in our expansion. Management has and continues to maintain a tight control over the Company's cash resources and is frugal in capital allocation, most notably ensuring all company liabilities and debts are settled.
The Company's ability to access funding to meet commitments and development plans ***(Unchanged)***	There is no guarantee that current market conditions will permit the raising of necessary funds, by way of debt financing or the issue of new equity, as and when the Company requires in the coming months. The Board is consistently monitoring the timing and nature of additional funding requirements to ensure the company's accounts will be filed on time and to ensure no further suspensionof the shares since re-instatement in December 2024. During 2024 the Company received loan note finance of £262,500 from Zen Ventures Limited and it has subsequently received a commitment to provide additional future funding from Zen Ventures Limited and parties connected to Zen Ventures Limited.

The Company's ability to access local government or local regulatory support in each jurisdiction we operate within ***(Unchanged)***	Engagement with local government or regulatory authorities is key to the Company's future success. The Company will use all the tools it has available to ensure this engagement is productive and that all requisite support is obtained both for initial approvals and on an on-going operational basis.

Inflationary pressure on capital and operating costs ***(Better)***	Normal annual inflation costs impact on the day to day operating costs. The Company has cut costs to minimum required running costs while it continues to try to monetise its CoalSwitch® IP.
Risk (Board's view of the change in status since 2023)	**2024 Outcome and Mitigation Action**
REGULATORY	**The company is listed on the AIM market of the London Stock Exchange and subject to the associated regulatory regime**
Failure to comply with law and regulations in the jurisdictions in which we operate ***(Unchanged)***	The Company employs advisers with the requisite experience and skill sets to manage the Company's business within all applicable laws and regulations.
Suspension of the company's shares trading on AIM ***(New)***	On 1st of July 2024 the company's shares were suspended from trading on AIM. In order to reinstate trading the company had to publish its annual report for the year ended 31 December 2023 and interim report for the six months ended 30 June 2024. This was completed and published on the 13th of December 2024. The shares were relisted for trading on the 18th December 2024.

CORPORATE SOCIAL RESPONSIBILITY REPORT

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

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

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

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

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

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

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

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

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

Enhanced governance

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

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

Pankaj Rajani

Pankaj Rajani

Non-Executive Chairman
27 June 2025

CORPORATE GOVERNANCE

DIRECTORS & SENIOR MANAGEMENT INFORMATION

Paul Elliott
Chief Executive Officer

Paul Robert Elliott is a seasoned property developer and entrepreneur with over 30 years of real estate experience. He began his career at 16 with NatWest Bank before transitioning to property management in 1988. Early on, Paul co-founded a property management agency, expanding it into multiple offices and establishing himself as a dynamic industry leader. Specialising in transforming distressed assets into profitable ventures, Paul has successfully developed, refurbished and sold properties ranging from Victorian conversion to multistorey commercial buildings. His notable achievements include revitalising listed buildings, commercial office developments, and Victorian mills, generating over £25 million in development profits. With strategic vision and innovative problem-solving, Paul consistently turns complex challenges into valuable opportunities, solidifying his reputation as a leader in the property market.

Pankaj Rajani
Non-Executive Chairman

Pankaj qualified as a Chartered Accountant with KPMG in 1987 and has gained significant experience in various business sectors whilst he was building a Chartered Accountancy practice. Over the last three decades the firm has actively been engaged to help clients grow in their business endeavours. Pankaj has played a key role in working with these clients to help to achieve their ambitions. Corporate Finance transactions, international trade, JVs and investor relations are areas where Pankaj is primarily involved. Pankaj has served on the Board and advised several PLC's and brings a broad range of experience to the Company.

Country of Incorporation
England and Wales
Company number: 03148295

Directors
P Elliott (Appointed 7th January 2025)
P Rankaj (Appointed 7th January 2025)
J Leahy (Resigned 27th February 2025)
T M S Rowan (Resigned 28th March 2025)
M Aitken (Resigned 1st November 2024)
J Zimmermann (Resigned 1st November 2024)

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

Registered Office
27- 28 Eastcastle Street
London
W1W 8DH

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

Bankers
HSBC Bank Plc
69 Pall Mall
London
SW1Y 5EY

Solicitors
Blake Morgan LLP

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

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

CORPORATE GOVERNANCE STATEMENT

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

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

Board

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

At the date of this report the Board of Directors currently has two members, comprising the Chairman and Non-executive director. Paul Elliott was appointed as Executive Chairman on the 27th January 2025, replacing James Leahy who resigned on the 27thFebruary 2025. Pankaj Rajani was appointed Non-executive Director on the 27th of January 2025. Michael Rowan resigned as Chief Executive Officer on 27th February 2025 and resigned as director on the 28thMarch 2025.

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

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

The Board is aware of other commitments and interests of its directors and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board. Executive directors are employed on a full-time basis, whereas non-executive directors provide a minimum of two days per month, plus additional time as required.

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

ATTENDANCE RECORD during 2024

Directors	**Board (Scheduled)**	**Board (Additional)**	**Audit Committee**	**Remuneration Committee**
James Leahy	4 of 4	16 of 16	2 of 2	0 of 0
Michael Rowan	4 of 4	16 of 16	2 of 2	0 of 0
Max Aitken	4 of 4	14 of 16	2 of 2	0 of 0
Jason Zimmermann	4 of 4	16 of 16	2 of 2	0 of 0

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

Board Committees

Audit Committee

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

During 2024, the Committee met twice. Additional meetings are held where necessary to consider matters referred by the Board. It is responsible for ensuring that the financial activities of the Company are properly monitored, controlled, and reported on, complying with relevant legal requirements. The Committee receives and reviews reports from management and the Company’s auditors relating to the Company’s Report and Accounts, the interim results and review of the accounting policies.

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

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

Remuneration Committee

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

Nomination Committee

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

Board Evaluation

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

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

Other Corporate governance Matters
The matters below relate to the Section 172 statement on page 9.

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

Employees
The Company gives full and fair consideration to applications for employment regardless of age, gender, colour, ethnicity, disability, nationality, religious beliefs, or sexual orientation. The Board takes employees' interest into account when making decisions. Any suggestions from employees aimed at improving the Company's performance or practices are welcomed.

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

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

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

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

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

Internal Controls and Risk Management

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

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

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

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

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

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

Directors
The Directors during the year under review and appointed post year end were:
- Paul Elliott (Executive Chairman) – appointed 27 January 2025
- Pankaj Rajan (Non-Executive Director) – appointed 27 January 2025
- James Leahy (Non-Executive Chairman) – resigned 27 February 2025
- Michael Rowan (Chief Executive Officer) – resigned 28 March 2025
- Max Aitken (Non-Executive Director – resigned 01 November 2024)
- Jason Zimmermann (Non-Executive Director – resigned 01 November 2024)

In accordance with the Company's Articles of Association, at the Annual General Meeting ("AGM") held on the 27th February 2025. Michael Rowan resigned as Chief Executive Officer, James Leahy resigned as Chairman and Paul Elliott was appointed as Executive Chairman.

Dividends
No dividend is proposed for the year ended 31 December 2024 (2023: £Nil).

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

Research and Development
Given its current situation the Company is not currently undertaking any further development work.

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

Auditors' appointment
Gravita Audit Limited has indicated that it will not seek re-appointment as the company's auditor at the forthcoming Annual General Meeting as, following a business reorganisation, its audit services will be provided another Gravita company. A resolution to appoint Gravita Audit II Limited as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Significant Shareholders
As at 23rd June 2025, the Company had 161,863,136 Ordinary Shares in Issue ("OSI") of which 528,204 were held in treasury. The Company had received notification from the following shareholders of interests in excess of 3% of the Company's OSI:

Shareholder	Number of shares	Percentage of OSI
Hargreaves Lansdown Stockbrokers	22,456,934	13.87%
Gravendonck Private Foundation	20,484,065	12.66%
Interactive Investor Services Limited	16,789,787	10.37%
Halifax Share Dealing Limited	11,087,147	6.85%
Tyler Player	10,741,142	6.64%
Barclays Stockbrokers Limited	7,679,304	4.74%
Alpha Prospects PLC	6,712,852	4.15%
AJ Bell Securities Limited	6,598,733	4.08%
Freetrade Limited	5,820,513	3.60%

Share Capital
Details of the Company's share capital are set out in Note 16.

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

Capital and financial risk management
Details of the Company's capital and financial risks and the management thereof is set out in Note 21.

Annual General Meeting
The date for the Annual General Meeting ("**AGM**") will be agreed and publicised after the publication of the year end accounts which is expected to be in July 2025. The notice for the AGM and proxy voting form would be put to the Board for approval at a later date.

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

By Order of the Board

Pankaj Rajani

Pankaj Rajani

Non-Executive Chairman
27 June 2025

DIRECTORS' REMUNERATION REPORT

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

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

Remuneration Policy

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

Aligned with the position and performance of the Company, senior executives have never received performance related pay. The Company's remuneration policy during the financial year consisted only of salary. There were no annual bonuses awarded in the current financial year. The Committee recognises that the salary component is below market related benchmarks but believes this is appropriate in the Company's position.

In 2021 and 2022, 2023 and 2024 the Committee indicated that it would seek to ensure salaries and performance pay are market-related to attract and retain the right calibre executive, including the introduction of pension, medical insurance and life insurance benefits for Executive Directors. With the exception of medical insurance benefits to Steve Schaar (COO) and Barron Hewetson (CTO), the Company's position did not permit initiation of these benefits during 2022 or 2023 or 2024, nor for any salary benchmark adjustments. The Committee will re-evaluate these benefits when the company is on a stronger footing.

Long Term Incentive Plan

In early 2021, following a recommendation from the Remuneration Committee, the Board approved a new Long Term Incentive Plan ("LTIP"). The LTIP is intended to align the interests of the Executive Directors and senior management with the shareholders and includes malus and clawback clauses.

On 4 July 2022 the Company's Ordinary shares were consolidated on a 1 for 35 basis and corresponding adjustments have been made to the number and exercise price of the LTIP options.

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

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

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

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

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

All of the Options expire ten years from the date of grant and are subject to additional performance related vesting criteria. In total, the 2023 Options represent 5.12% of the Company's current issued Ordinary Shares and, when taken with the existing options and warrants over Ordinary Shares, the Company has options and warrants outstanding over 7.48% of the Company's issued share capital.

	2024	2023
Michael Rowan (b)	4,909,570	4,909,570
James Leahy (b)	400,000	400,000
Max Aitken (a)	239,360	239,359
Jason Zimmermann (a)	239,360	239,359
Total	**5,788,290**	**5,788,290**

[a] Jason Zimmerman and Max Aitken resigned on 01 November 2024**.**
[b] James Leahy resigned on 27 February 2025 and Michael Rowan resigned on 28 March 2025.

Directors' Service Contracts
Executive Directors
There are currently no Executive Directors employed under service contracts.

Non-Executive Directors
The Non-Executive Directors are appointed under letters of appointment for an initial term of approximately three years with a notice period of one month from the Company or Non-Executive Director. At the reporting date the below details the current and recently resigned directors of the Company; -

Paul Elliott	Appointed 27 January 2025
Pankaj Rajani	Appointed 27 January 2025
James Leahy	Resigned 27 February 2025
Michael Rowan	Resigned 28 March 2025
Max Aitken	Resigned 01 November 2024
Jason Zimmermann	Resigned 01 November 2024

Directors' Remuneration
Remuneration and benefits for Directors were as follows:

12-months to 31 December 2024

	Gross Fees & Salary £	Benefits £	Bonus £	TOTAL £
Directors at 31 December 2024				
T M Rowan	365,795	-	-	365,795
J Leahy	31,000	-	-	31,000
M Aitken	8,500	-	-	8,500
J Zimmermann	8,750	-	-	8,750
	414,045	**-**	**-**	**414,045**

12-months to 31 December 2023

	Gross Fees & Salary £	Benefits £	Bonus £	TOTAL £
Directors at 31 December 2023				
T M Rowan	225,000	-	-	225,000
J Leahy	70,000	-	-	70,000
M Aitken	35,000	-	-	35,000
J Zimmermann	35,000	-	-	35,000
	365,000	**-**	**-**	**365,000**

Directors' Interests in Share Capital of the Company

The interests of Directors who held office during 2024 are set out in the table below:

	Ordinary Shares held			Ordinary Share Options & LTIPs	
	1 January 2024	**31 December 2024**	**28 April 2025**	**31 December 2024**	**Weighted Exercise price (p)**
T M Rowan [b]	1,785,321	1,785,321	1,785,321	5,623,856	63.01
J Leahy [b]	686,428	686,428	686,428	400,000	9.38
M Aitken[a]	114,285	114,285	114,285	239,360	60.30
J Zimmermann[a]	127,471	127,471	127,471	239,360	60.30

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

[b]James Leahy resigned on 27 February 2025 and Michael Rowan resigned on 28 March 2025.

Pankaj Rajani

Pankaj Rajani

Non-Executive Chairman

27 June 2025

STATEMENT OF DIRECTORS' RESPONSIBILITY

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

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

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

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

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

Each of the Directors, whose names and functions are listed in the Report of Directors confirm that, to the best of their knowledge:
- the Company financial statements, which have been prepared in accordance with IFRSs as adopted by the United Kingdom, give a true and fair view of the assets, liabilities and financial position and profit or loss of the Company taken as a whole; and
- the Strategic Report and the Directors' Report include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

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

By order of the Board
Pankaj Rajani

Pankaj Rajani

Non-Executive Chairman
27 June 2025

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

Opinion

We have audited the financial statements of Active Energy Group PLC (the "Company") for the year ended 31 December 2024 which comprise the statement of income and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the financial statements, including a summary of material accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom adopted International Accounting Standards (IFRS), as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom adopted International Accounting Standards as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 to the financial statements, which indicates that the Company is dependent upon continued financial support, including the receipt of further loan note funding and the provision of additional funding from Zen Ventures Limited and parties connected to it, in order to meet its liabilities as they fall due over the going concern assessment period. As stated in Note 1, there is no guarantee that further loan note funding will be available, or that an extension to the loan note redemption date will be agreed, if required. There is also uncertainty as to whether Zen Ventures Limited and its connected parties will be able to provide sufficient financial support when needed. The Company remains reliant on the timely arrangement of cash, including for immediate obligations around the date of signing, and the availability of funding remains subject to external support and agreement.

These events or conditions, along with the other matters as set out in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our evaluation of the Directors assessment of the Company's ability to continue to adopt the going concern basis of accounting in the preparation of the financial statements included a detailed review of future forecasts and assessing the assumptions utilised by management in preparing the forecast. These assumptions were further assessed based on expected costs incurred based on our understanding of the Company's future plans.

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

- Evaluated the appropriateness of management's going concern model for the forecast;
- Reviewed evidence of funds and assets of the parties connected to Zen Ventures Ltd who have committed to support the Company;
- Reviewed the cash balances held by the Company and cash injections post year end in relation to the issue of convertible loan notes and cash received from parties connected to Zen Ventures Ltd
- Checking the adequacy of disclosures made in the annual report in respect of going concern; and
- Considered whether the likelihood of the contingent events.

The forecast includes a number of assumptions related to future cash flows and associated risks. Our audit work has focused on evaluating and challenging the reasonableness of these assumptions during the forecast period.

In auditing the financial statements, we have concluded that the Directors use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Our audit approach

Overview

Audit scope
We performed a full scope audit of the Company's financial statements.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the material uncertainty paragraph relating to the going concern, we have determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

Key audit matter	2024	2023
Carrying value of investment in subsidiaries		x
Impairment of amounts due from subsidiaries	x	x
Carrying value of other financial assets	x	x

Carrying value of investment in subsidiaries is no longer considered to be a key audit matter as the balance was fully impaired in 2023.

The key audit matters are explained in more detail below.

Key audit matter	How our audit addressed the key audit matter
Impairment of amounts due from subsidiaries At 31 December 2024, the company reported amounts due from subsidiaries of £12.7 million (2023: £17.4 million), fully impaired, resulting in a net carrying amount of £nil (2023: £1.7 million). During the year, the company recognised impairment losses of £0.4 million and wrote off £3.6 million of previously impaired balances relating to subsidiaries that were dissolved or entered liquidation during the year (Note 12). We considered this a key audit matter due to the materiality of the balances, the level of judgement required in assessing recoverability, and the impact of group restructuring activities on the impairment and write-off decisions.	We reviewed the statutory filings to confirm the status of each subsidiary to establish management's basis for impairment. Based on the audit work performed, we are satisfied that impairment of amounts due from subsidiaries is appropriate as at 31 December 2024.
Carrying value of other financial assets The Company had other financial assets of £683,248 at 31 December 2024 (2023: £683,248). These assets consist of an unquoted equity instrument which is valued at fair value through other comprehensive income and classified as a non-current asset. This asset is valued according to Level 3 inputs as defined by IFRS 13 and is therefore subject to management's judgement of unobservable inputs. The asset is currently held at its historic cost which represents management's best estimate of its fair value. There is a risk that the carrying value of other financial assets is not reflective of its fair value. As such, we considered this to be a Key Audit Matter due to the high level of judgement applied and the value of the overall investments.	We have performed the following audit procedures: • We reviewed management's basis for estimating the fair value of the equity instrument at historic cost including reviewing management's projections of the value of the equity instrument based on the net assets of the entity whose equity instruments it is ("the entity") and the price of recently issued equity of the same entity. • We challenged management's reservations in using the above valuations. • We reviewed the entity's financial statements, relevant correspondences and other factual evidence and found merit in management's reservations. Based on the audit work performed, we are satisfied with management's valuation of the carrying amount of other financial assets at 31 December 2024.

Our application of materiality

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

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

	Company
Overall materiality	£66,000 (2023: £36,909).
How we determined it	Based on 4.5% of Loss before tax (2023: Based on 2% of Gross Assets).
Rationale for benchmark applied	We believe that loss before tax is a primary measure used by new owners for the funding aspect of the company.
Performance Materiality	65% of overall materiality (2023: 70%)
	In setting the level of performance materiality we considered a number of factors including likelihood of misstatements based on our past experience of auditing the company and heightened inherent risk of management bias due to uncertainties surrounding going concern.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £3,300 (2023: £1,800) as well as misstatements below this amount 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 and Accounts, 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.

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.

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

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 26, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

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

The extent to which the audit was considered capable of detecting irregularities including fraud
Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience of the entity's activities:
    - The Companies Act 2006 and IFRS in respect of the preparation and presentation of the financial statements and;
    - AIM regulations and Market Abuse Regulations
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including taxation legislation, anti-bribery, employment, and anti-money laundering regulations.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit; and
- we assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 of the financial statements were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and
- in response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
    - agreeing financial statement disclosures to underlying supporting documentation;
    - reading the minutes of meetings of those charged with governance;
    - enquiring of management as to actual and potential litigation and claims; and
    - reviewing correspondence with HMRC and the 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 noncompliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment by for example forgery, or intentional misrepresentation or through collusion. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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

Other matters which we are required to address
The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit. Our audit opinion is consistent with the additional report to the audit committee.

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

Jan Charlesworth

Jan Charlesworth (Senior Statutory Auditor)

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

27 June 2025

STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 GBP	*(restated)* 2023 GBP
Revenue		**-**	**-**
Impairment charge		(378,834)	(20,395,835)
Administrative expenses		(1,475,052)	(2,027,640)
OPERATING LOSS	4	**(1,853,886)**	**(22,423,475)**
Net finance costs	5	(10,954)	19,136
Foreign exchange gains/(loss)		10,752	(1,073,834)
LOSS BEFORE TAXATION		**(1,854,088)**	**(23,478,173)**
Taxation	6	-	-
LOSS FOR THE YEAR		**(1,854,088)**	**(23,478,173)**
OTHER COMPREHENSIVE INCOME		**-**	**-**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(1,854,088)**	**(23,478,173)**
Basic and diluted (loss) per share (pence)	7	**(1.15)**	**(14.50)**

The notes on pages 38 to 58 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

			(restated)	*(restated)*
		2024	**2023**	**2022**
NON-CURRENT ASSETS	**Note**	**GBP**	**GBP**	**GBP**
Property, plant & equipment	8	-	120	842
Investment in subsidiaries	9	-	-	4,754,446
Amounts due from subsidiaries		-	-	17,787,051
Other financial assets	10	683,248	683,248	683,248
		683,248	683,368	23,225,587
CURRENT ASSETS				
Trade and other receivables	11	29,156	46,350	108,821
Amounts due from subsidiaries	12	-	1,671,928	-
Cash and cash equivalents	13	4,273	30,190	2,111,681
		33,429	1,748,468	2,220,502
TOTAL ASSETS		**716,677**	**2,431,836**	**25,446,089**
CURRENT LIABILITIES				
Trade and other payables	14	184,520	382,911	291,345
Loans and borrowings	15	258,093	10,137	9,889
		442,613	393,048	301,234
NON-CURRENT LIABILITIES				
Loans and borrowings	15	-	14,814	24,954
		-	14,814	24,954
TOTAL LIABILITIES		**442,613**	**407,862**	**326,188**
NET ASSETS		**274,064**	**2,023,974**	**25,119,901**
Share capital – Ordinary Shares	16	566,521	566,521	566,521
Share capital – Deferred Shares	16	12,746,608	12,746,608	12,746,608
Share premium		39,263,037	39,263,037	39,263,037
Merger reserve		1,502,500	1,502,500	1,502,500
Own shares held reserve		(180,150)	(180,150)	(180,150)
Convertible debt/warrant reserve		12,798	461,857	461,857
Retained earnings		(53,637,250)	(52,336,399)	(29,240,472)
TOTAL EQUITY		**274,064**	**2,023,974**	**25,119,901**

The financial statements were approved and authorised for issue by the Directors on 27 June 2025 and were signed on their behalf by:

Paul Elliott
Chief Executive Officer

Company Number 03148295

The notes on pages 38 to 58 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital GBP	Share premium GBP	Merger reserve GBP	Own shares held reserve GBP	Convertible debt and warrant reserve GBP	Retained earnings GBP	Total equity GBP
At 31 December 2022 *(restated)*	**13,313,129**	**39,263,037**	**1,502,500**	**(180,150)**	**461,857**	**(29,240,472)**	**25,119,901**
Loss for the year *(restated)*	-	-	-	-	-	(23,478,173)	(23,478,173)
Other comprehensive loss *(restated)*	-	-	-	-	-	-	-
Total comprehensive loss *(restated)*	-	-	-	-	-	(23,478,173)	(23,478,173)
Share based payments *(restated)*	-	-	-	-	-	382,246	382,246
At 31 December 2023 *(restated)*	**13,313,129**	**39,263,037**	**1,502,500**	**(180,150)**	**461,857**	**(52,336,399)**	**2,023,974**
Loss for the year	-	-	-	-	-	(1,854,088)	(1,854,088)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	-	-	(1,854,088)	(1,854,088)
Convertible debt issued	-	-	-	-	12,798	-	12,798
Expiry of warrants	-	-	-	-	(461,857)	461,857	-
Share based payments	-	-	-	-	-	91,380	91,380
At 31 December 2024	**13,313,129**	**39,263,037**	**1,502,500**	**(180,150)**	**12,798**	**(53,637,250)**	**274,064**

The purpose and nature of each of the above reserves is described in Note 19.

The notes on pages 38 to 58 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 GBP	*(restated)* 2023 GBP
Cash (outflow) from operations	20	(1,555,873)	(2,070,885)
Income tax received		-	-
Net cash (outflow) from operating activities		**(1,555,873)**	**(2,070,885)**
Cash flows from investing activities			
Net repayment of amounts due from subsidiaries		1,293,094	-
Net cash inflow from investing activities		**1,293,094**	**-**
Cash flows from financing activities			
Convertible loan notes issued		200,000	-
Secured repayable on demand loans received		62,500	-
Unsecured debt repaid		(25,258)	(10,647)
Net cash inflow/(outflow) from financing activities		**237,242**	**(10,647)**
Net (decrease) in cash and cash equivalents		**(25,537)**	**(2,081,532)**
Cash and cash equivalents at beginning of the year		**30,190**	**2,111,681**
Exchange gains/(losses) on cash and cash equivalents		(380)	41
Cash and cash equivalents at end of the year	13	**4,273**	**30,190**

The notes on pages 38 to 58 form part of these financial statements.

1. ACCOUNTING POLICIES

General information
Active Energy Group plc is a public limited company, limited by shares, incorporated in England and Wales, and quoted on the AIM market of the London Stock Exchange. Its registered office address is 27/28 Eastcastle Street, London, W1W 8DH. The principal activity of the Company is described in the Strategic Report. The Company's shares were temporarily suspended from trading on the AIM market from 1 July to 18 December 2024.

Basis of preparation
The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

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

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

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

The company had no subsidiaries at the balance sheet date and is therefore not required to prepare consolidated financial statements. These financial statements present the performance and position of the Company only, and not that of its former subsidiaries.

Restatement of prior periods
The company has elected to change the currency in which it presents its financial statements from US Dollars (USD) to Pounds Sterling (GBP) and has therefore restated, in Pounds Sterling, the comparative amounts presented for the year ended 31 December 2023 and the amounts presented in the opening balance sheet at 31 December 2022. The Company has changed its presentation currency to align with its functional currency, now that it is no longer required to prepare consolidated financial statements, which the Company's management consider will provide more relevant information.

The restatement affects all comparative amounts presented in the financial statements and results in the elimination of the foreign exchange reserve within equity that existed in the original prior period financial statements (as a result of their presentation in US Dollars).

Assets and liabilities at 31 December 2023 and 31 December 2022 that were not denominated in Pounds Sterling have been restated using the closing exchange rates on these dates. Income, expenses and cash flows for the year ended 31 December 2023 that were not denominated in Pounds Sterling have been restated using the average exchange rate for the year.

The *foreign currencies* accounting policy below provides further information.

1. ACCOUNTING POLICIES (continued)

Going concern

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

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

In April 2025 the Company received loan note finance of £200,000 from Wager Holdings Limited under the terms of a new convertible loan note instrument that also allows for a further £300,000 of loan notes to be issued, although no commitment has been made to provide such further funding. To the extent that they have not converted into new Ordinary Shares in the Company the loan notes are redeemable in full on 31 December 2025, or such later date as is agreed between the Company and the noteholders.

The Company has also received a commitment from Zen Ventures Limited and parties connected to Zen Ventures Limited to provide such additional future funding as the Company might require to enable it to settle its liabilities as they fall due for at least one year from the date of approval of these financial statements. The Board, having reviewed the cash flow forecasts, expect the Company to be able to settle its liabilities as they fall due for at least one year from the date of approval of these financial statements. The financial statements have therefore been prepared on a going concern basis.

However, there is no guarantee that further loan note funding will be available or that it will be possible to agree an extension to the loan note redemption date, if required, and it is possible that Zen Ventures and its connected parties might not be able to provide sufficient financial support at such time as the Company might require it. The Company remains reliant on the timely arrangement of cash, including for immediate obligations around the date of signing, and the availability of funding remains subject to external support and agreement. The Board have assessed both the ability and intention of Zen Ventures Limited and its connected parties to provide additional funding if required and remain confident that such support will be made available should suppliers demand immediate payment. The Board consider that these risks, taken together, represent a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

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

New and amended standards which are effective for these Financial Statements

A number of amended standards became mandatory and are effective for annual periods beginning on or after 1 January 2024. These have not had a material impact on the financial statements.

New and amended standards which are not yet effective for these Financial Statements

There are a number of new and amended standards and interpretations that are not mandatory for the year ended 31 December 2024 and have not been early adopted in these financial statements.

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

1. ACCOUNTING POLICIES (continued)

Ref	Title	Summary	Application date (accounting periods commencing)
IFRS 7	*Financial Instruments: Disclosures*	*Amendments: classification and measurement of financial instruments*	*1 January 2026*
IFRS 9	*Financial Instruments*	*Amendments: classification and measurement of financial instruments*	*1 January 2026*
IFRS 18	*Presentation and Disclosures*	*Presentation and Disclosures in Financial Statements*	*1 January 2027*
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*	*Reduced disclosure requirements for eligible subsidiaries*	*1 January 2027*

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

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

Office equipment – 2 to 5 years straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Financial assets and liabilities
The Company 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 Company classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost. Management determines the classification of its investments at initial recognition. A financial asset or financial liability is measured initially at fair value. At inception transaction costs that are directly attributable to its acquisition or issue, for an item not at fair value through profit or loss, are added to the fair value of the financial asset and deducted from the fair value of the financial liability.

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

1. ACCOUNTING POLICIES (continued)

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 company 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 company has transferred substantially all of the risks and rewards of ownership. In a transaction in which the company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the company 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 company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

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

Convertible debt instruments
Convertible debt instruments that will be settled by way of a fixed amount of cash (or another financial asset) or by the issuing of a fixed number of shares in the Company are bifurcated and recognised initially as a liability representing the fair value of the debt element and an equity component representing the fair value of the conversion option. After initial recognition the debt element is accounted for at amortised cost using the effective interest method.

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

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

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

1. ACCOUNTING POLICIES (continued)

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

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities, and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on the company.

Foreign currencies

Items included in the financial statements are measured using Pounds Sterling, the currency of the primary economic environment in which the Company operates (its "functional currency"). The financial statements are also presented in Pounds Sterling (GBP).

The Company has changed its presentation currency which is further explained earlier in this note under the heading *restatement of prior periods*.

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

The US Dollar exchange rates used to prepare the financial statements were as follows:

Closing rate at 31 December 2024	1.2540 USD/GBP
Closing rate at 31 December 2023	1.2734 USD/GBP
Closing rate at 31 December 2022	1.2056 USD/GBP
Average rate for the year ended 31 December 2024	1.2787 USD/GBP
Average rate for the year ended 31 December 2023	1.2438 USD/GBP

Share-based payments

Where employees receive remuneration in the form of shares or share options, the fair value of the share-based employee compensation arrangement at the date of the grant is recognised as an employee benefit expense in the income statement. The total expense to be apportioned over the vesting period of the benefit is determined by reference to the fair value (excluding the effect of non-market-based vesting conditions) at the date of the grant.

The assumptions underlying the number of awards expected to vest are subsequently adjusted for the effects of non-market-based vesting to reflect the conditions prevailing at the year-end date. Fair value is measured using a valuation tool (such as Monte Carlo or Black Scholes).

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

1. ACCOUNTING POLICIES (continued)

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

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

Investment in subsidiaries
Investments in subsidiaries are stated at cost less provision for impairment.

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management's consideration of going concern is discussed elsewhere in the accounting policies note. The other significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were as follows:

Derecognition of subsidiary placed into a members' voluntary liquidation
The Company placed its subsidiary Advanced Biomass Solutions Limited into a members' voluntary liquidation on 22 July 2024 and the Company has determined that this constitutes a loss of control such that Advanced Biomass Solutions Limited ceased to be a subsidiary of the Company, for financial reporting purposes, on that date.

At 31 December 2024 the Company had no other subsidiaries and is not, therefore, required to prepare consolidated financial statements for the year ended 31 December 2024.

Share-based payments
In determining the fair value of LTIP awards and other equity settled share-based payments, and the related charge to the income statement, the Company makes assumptions about future events and market conditions. In particular, judgements and estimates must be made as to the fair value of each award granted and the extent to which options are expected to vest.

The fair value is determined using a valuation model which is dependent on further estimates, including the Company's future dividend policy, the timing with which options will be exercised and the future volatility in the price of the Company' shares. Such assumptions are based on publicly available information and reflect market expectations and advice taken from qualified personnel. Different assumptions about these factors could materially affect the reported value of share-based payments.

1. ACCOUNTING POLICIES (continued)

Valuation of unquoted equity investment

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

2. SEGMENTAL INFORMATION

The Company has only one operating segment and therefore no segmental information has been presented. The Company's non-current assets are located in the UK. The Company has no revenue or major customers.

3. EMPLOYEE COSTS AND DIRECTORS

	2024 GBP	*(restated)* 2023 GBP
Wages and salaries	437,455	447,000
Social security costs	31,148	46,229
Pension costs	286	1,038
	468,889	494,267
Share based payments – directors	89,963	256,983
Share based payments – others	1,417	125,263
	91,380	382,246
	560,269	**876,513**

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

	2024	2023
Directors	4	4
Administration	1	1
	5	**5**

3. EMPLOYEE COSTS AND DIRECTORS (continued)

Directors' and key management personnel remuneration

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

	2024 GBP	*(restated)* 2023 GBP
Directors' emoluments	226,545	365,000
Termination benefits	187,500	-
Share based payments	89,963	256,983
	504,008	621,983

The total remuneration of the highest paid Director for the year, excluding non-cash share-based payments, were £365,795 which included redundancy settlement (2023: £225,000).

4. OPERATING LOSS

	2024 GBP	*(restated)* 2023 GBP
The operating loss is stated after charging:		
Depreciation	120	722
Auditor's remuneration – audit services	68,000	80,000
Auditor's remuneration - taxation services	2,000	2,000
Auditor's remuneration - other services	4,100	4,100
Share based payments	91,380	382,246
Impairment of intangible assets	-	4,754,446
Impairment of amounts due from subsidiaries	378,834	15,641,389

5. NET FINANCE COSTS

	2024 GBP	*(restated)* 2023 GBP
Finance costs		
Interest payable and other finance charges	(10,954)	(758)
Interest receivable	-	19,894
	(10,954)	**19,136**

6. TAXATION

	2024 GBP	*(restated)* 2023 GBP
Current tax	-	-
Deferred tax	-	-
Total income tax expense	-	-
Total income tax (credit)	-	-

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

	2024 GBP	*(restated)* 2023 GBP
Loss before taxation	(1,854,088)	(23,478,173)
Standard rate of corporation tax	25.00%	23.50%
Loss before tax multiplied by standard rate of corporation tax	(463,522)	(5,517,371)
Effects of:		
Non-deductible expenses	122,857	4,883,049
Losses not recognised as deferred tax asset	340,665	634,322
Tax expense	-	-

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

	2024 GBP	*(restated)* 2023 GBP
Tax losses brought forward at 1 January	16,749,490	14,050,248
Taxable loss for the year	1,362,659	2,699,242
Tax losses carried forward at 31 December	18,112,149	16,749,490

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

7. LOSS PER SHARE

	2024	*(restated)* 2023
	GBP	GBP
Loss for the year:		
Continuing operations	(1,854,088)	(23,478,173)
Total operations	**(1,854,088)**	**(23,478,173)**
Weighted number of Ordinary Shares in issue	161,863,136	161,863,136
Basic and diluted loss per share (pence):	**(1.15)**	**(14.50)**

The Company's share options and convertible loan notes are anti-dilutive in relation to the loss per share for the years ended 31 December 2024 and 31 December 2023 because their inclusion would decrease the loss per share in each case.

On 27 February 2025, subsequent to the end of the reporting period, the Company's Ordinary Shares were subdivided however this subdivision did not alter the number of Ordinary Shares in issue.

8. PROPERTY, PLANT AND EQUIPMENT

Office equipment	2024	*(restated)* 2023
	GBP	GBP
Cost		
At 1 January	9,757	9,757
At 31 December	**9,757**	**9,757**
Accumulated depreciation		
At 1 January	9,637	8,915
Charge for the year	120	722
At 31 December	**9,757**	**9,637**
Net book value	**-**	**120**

9. INVESTMENT IN SUBSIDIARIES

	2024 GBP	*(restated)* 2023 GBP
Cost		
At 1 January	4,754,446	8,559,625
Disposals	-	(3,805,179)
At 31 December	**4,754,446**	**4,754,446**
Impairment provision		
At 1 January	4,754,446	3,805,179
Charge for the year	-	4,754,446
On disposals	-	(3,805,179)
At 31 December	**4,754,446**	**4,754,446**
Net book value	**-**	**-**

At the balance sheet date the Company held share capital in each of the following companies:

Subsidiary undertaking	Country of incorporation	Nature of business	Percentage Holding 2024	Percentage Holding 2023	Dissolution Date
Advanced Biomass Solutions Limited	United Kingdom	Biomass for energy development	100*	100	-
Lumberton Energy Holdings LLC	United States	Property Holding Company	-	100	19 April 2024
Active Energy Renewable Power LLC	United States	Biomass for energy development	-	100	22 April 2024

* Advanced Biomass Solutions Limited was placed into a members' voluntary liquidation on 22 July 2024 and consequently has not been controlled by the Company since this date.

The following companies, which were all wholly owned by the Company, were dissolved during 2023:

CSW2Maine LLC (United States)
AEG Trading Limited (United Kingdom)
Timberlands International (United Kingdom)

10. OTHER FINANCIAL ASSETS

	2024	*(restated)* 2023
	GBP	GBP
Fair value at beginning of the year	683,248	683,248
Fair value at end of the year	683,248	683,248

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

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

11. TRADE AND OTHER RECEIVABLES

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

	2024	*(restated)* 2023
	GBP	GBP
Prepayments	4,094	29,873
Other receivables	25,062	16,477
Total	29,156	46,350

Trade and other receivables that have not been received within the payment terms are classified as overdue. There were no trade and other receivables overdue at 31 December 2024 or 31 December 2023 and accordingly there were no impairment provisions at either date. An analysis of the Company's trade and other receivables by currency is provided in note 21.

12. AMOUNTS DUE FROM SUBSIDIARIES

	2024	*(restated)* 2023
	GBP	GBP
Amortised cost	12,730,200	17,374,515
Provision for impairment	(12,730,200)	(15,702,587)
	-	**1,671,928**

The company recognised net impairment losses of £378,834 (2023: £15,641,389) during the year in respect of amounts due from subsidiaries. A fully impaired balance of £3,567,437 was written off during the year, with a corresponding amount released from the provision for impairment.

13. CASH AND CASH EQUIVALENTS

	2024 GBP	*(restated)* 2023 GBP
Cash at bank	4,273	30,190

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

14. TRADE AND OTHER PAYABLES

	2024 GBP	*(restated)* 2023 GBP
Trade payables	18,378	172,444
Accruals and deferred income	165,930	184,000
Social security and other taxes	-	11,709
Other payables	212	14,758
	184,520	382,911

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

The amounts shown are undiscounted and represent the contractual cash flows. An analysis of the Company's trade and other payables classified as financial liabilities by currency is provided in note 21.

15. LOANS AND BORROWINGS

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

	Book value 2024 GBP	Fair value 2024 GBP	*(restated)* Book value 2023 GBP	*(restated)* Fair value 2023 GBP
Non-Current				
Other loans	-	-	14,814	14,814
Current				
Convertible loan notes	195,593	195,593	-	-
Other loans	62,500	62,500	10,137	10,137
	258,093	258,093	10,137	10,137
Total loans and borrowings	**258,093**	**258,093**	**24,951**	**24,951**

15. LOANS AND BORROWINGS (continued)

Convertible loan notes

Convertible loan notes with a nominal value of £200,000 were issued on 31 October 2024 and have been accounted for as a loan creditor, representing the fair value of the debt component, and a separate conversion option which has been recognised as a component of equity. The loan notes themselves are non-interest bearing but interest is being accounted for on the fair value of the debt component using the effective interest method. The loan notes are convertible to ordinary shares in the Company at the option of the holder, at any time, at a conversion price of £0.0004 per ordinary share, and are secured by way of a debenture containing fixed and floating charges.

Other loans

Other loans at 31 December 2024 comprise an interest free, repayable on demand loan secured by way of a debenture containing fixed and floating charges. Other loans at 31 December 2023 comprise a bank loan to the Company guaranteed by the UK government. The loan was repayable over 5 years with interest at a fixed rate of 2.5% p.a. This loan was repaid in full during 2024.

16. CALLED UP SHARE CAPITAL

	2024 Number	2024 GBP	2023 Number	*(restated)* 2023 GBP
Ordinary shares				
At 1 January	161,863,136	566,521	161,863,136	566,521
31 December	**161,863,136**	**566,521**	**161,863,136**	**566,521**
Deferred shares of £0.0099 each				
At 1 January	1,287,536,163	12,746,608	1,287,536,163	12,746,608
At 31 December	**1,287,536,163**	**12,746,608**	**1,287,536,163**	**12,746,608**
Total share capital		**13,313,129**		**13,313,129**

All shares have been allotted, called up and fully paid.

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

The Ordinary Shares were temporarily suspended from trading on AIM from 1 July to 18 December 2024 pursuant to AIM Rule 19.

17. CONTINGENT LIABILITIES

One of the Company's former subsidiaries has received legal claims from former subcontractors in the USA in respect of alleged unpaid remuneration and the claimants have indicated that they may attempt to bring a claim against the Company in its capacity as parent undertaking at the time. Both the Company and its former subsidiary dispute these claims and are advised that they are unlikely to be successful, in particular in relation to any claim brought against the Company. The Board therefore does not consider it likely that any payment by the Company will be required to settle the claims.

The Board's best estimate of the cost to the Company, were these claims to be successful, is £287,602 (2023 (restated): £283,221) No provision has been made for this sum in these financial statements.

18. SHARE OPTIONS AND WARRANTS

From time to time the Company has entered into share option and warrant arrangements under which the holders are entitled to subscribe for a percentage of the Company's Ordinary Share capital. Options under the LTIP and JSOP are detailed below. All other options and warrants vest immediately. The number of warrants and share options exercisable at 31 December 2024 was 4,951,612 (2023: 2,699,336). During the year 1,342,194 (2023: 598,571) options and warrants expired.

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

	2024 Weighted Average Exercise Price (British pence)	2024 Number of Warrants and Share Options	2023 Weighted Average Exercise Price (British pence)	2023 Number of Warrants and Share Options
At 1 January	**50.53**	**13,453,732**	112.68	5,768,463
Expired	41.44	(1,342,194)	86.21	(598,571)
Granted	-	-	9.83	8,283,840
At 31 December	**51.54**	**12,111,538**	**50.53**	**13,453,732**

At 31 December 2024, the weighted average remaining contractual life of warrants and share options exercisable was 7.37 years (2023: 7.42 years). There were no share options issued under the LTIP during 2024 (2023: 8,283,840 issued). No warrants were issued in 2024 or 2023.

A charge of £91,380 (2023 (restated): £382,246) has been recognised in the Statement of Comprehensive Income in respect of equity settled share based payments.

18. SHARE OPTIONS AND WARRANTS (continued)

Options and warrants outstanding at 31 December 2024 and 2023 were exercisable as follows:

Exercise price (British pence)	2024 Number	2023 Number
8.30p	3,594,470	3,594,470
10.00p	2,344,685	2,344,685
12.00p	2,344,685	2,344,685
17.50p	-	428,571
45.15p	-	609,081
67.73p	-	304,540
70.44p	1,235,278	1,235,278
123.27p	1,235,278	1,235,278
157.50p	585,714	585,714
175.00p	57,143	57,143
210.00p	128,571	128,571
297.50p	585,714	585,714
At 31 December	**12,111,538**	**13,453,730**

LTIP awards

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

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

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

At the inception of the plan, options over 2,470,556 shares were granted to directors and other participants. Further options were granted in July 2023 over 8,283,840 shares. There were no options granted during 2024.

JSOP awards

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

The company awarded JSOP shares in 2013 and has made no further awards since. The JSOP share based payment charge was expensed during the vesting period and there was no associated share based payment charge in 2024 or 2023. At 31 December 2024 and 31 December 2023 there were 400,000 fully vested shares held in the JSOP Trust. No JSOP shares were sold during either year.

18. SHARE OPTIONS AND WARRANTS (continued)

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

19. RESERVES

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

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

20. NOTE SUPPORTING THE STATEMENT OF CASH FLOWS

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

	2024	*(restated)* **2023**
	GBP	**GBP**
Loss for the year	(1,854,088)	(23,478,173)
Adjustments for:		
Share based payment expense	91,380	382,246
Depreciation	120	722
Impairment of investments	-	4,754,434
Impairment of intercompany loans	378,834	16,114,959
Foreign currency translations	380	(41)
Finance expenses	8,698	757
	(1,374,676)	(2,225,096)
Decrease in trade and other receivables	17,194	62,452
(Decrease)/increase in trade and other payables	(198,391)	91,759
Net cash (outflow) from operating activities	**(1,555,873)**	**(2,070,885)**

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

Cash to net debt reconciliation:

	2024 GBP	*(restated)* 2023 GBP
Cash and cash equivalents	4,273	30,190
Borrowings	(258,093)	(24,951)
Net Cash/(debt)	**(253,820)**	**5,239**
Cash and liquid investments	4,273	30,190
Convertible loan notes	(195,593)	-
Secured repayable on demand loans	(62,500)	-
Fixed rate loans	-	(24,951)
Net Cash/(debt)	**(253,820)**	**5,239**

21. FINANCIAL INSTRUMENTS

The Company's treasury policy is to avoid transactions of a speculative nature. In the course of its operations the Company is exposed to a number of financial risks that can be categorised as market, credit, and liquidity risks. The board reviews these risks and their impact on the activities of the Company on an ongoing basis. The principal financial instruments used by the Company, from which financial instrument risk arises, are:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Equity investments
- Loans and borrowings (including convertible debt instruments)

A summary of the financial instruments held is provided below.

Financial assets	2024 GBP	*(restated)* 2023 GBP
At amortised cost:		
Cash and cash equivalents	4,273	30,190
Amounts due from subsidiaries	-	1,671,928
	4,273	1,702,118
At fair value:		
Financial investments	683,248	683,248
Total financial assets	**687,521**	**2,385,366**

21. FINANCIAL INSTRUMENTS (continued)

Financial liabilities		*(restated)*
	2024	**2023**
	GBP	**GBP**
At amortised cost:		
Trade payables	18,378	172,444
Other current liabilities	166,142	210,467
Loans and Borrowings	258,093	24,951
Total financial liabilities	**442,613**	**407,862**

Fair value measurement

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

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

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

Market Risk

<u>Currency risk</u>

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

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

		(restated)
	2024	**2023**
	GBP	**GBP**
US Dollars	588	24,538
UK Pounds Sterling	3,685	5,656
	4,273	**30,194**

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

		(restated)
	2024	**2023**
	GBP	**GBP**
UK Pounds Sterling	29,156	46,350
	29,156	**46,350**

21. FINANCIAL INSTRUMENTS (continued)

The Company’s trade and other payables are denominated in the following currencies:

		(restated)
	2024	**2023**
	GBP	**GBP**
UK Pounds Sterling	184,520	382,911
	184,520	**382,911**

The effect of a 5 per cent strengthening of the US Dollar at the reporting date on the foreign currency denominated net financial instruments carried at that date would, all other variables held constant, have been insignificant.

Interest rate risk
The Company finances its operations through a mixture of equity and loans. The debt at 31 December 2023 consisted of government issued or guaranteed debt with fixed rates of interest. The loan notes issued in 2024 are non-interest bearing.

Credit risk
Operational
The Company did not generate any revenue during the period and its exposure to credit risk is therefore limited. The Company does not enter into derivative contracts to manage credit risk. Further information on trade and other receivables is presented in note 11.

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

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

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

The Company had loans of £262,500 at 31 December 2024 (2023 (restated): £24,951).

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

22. RELATED PARTY DISCLOSURES

As at 31 December 2024 all fees complied with directors' contractual obligations and were paid up to date. Details of directors' remuneration are set out in the Directors' report.

In 2024 the Company obtained key management personnel services of £58,750 (2023: £35,000) from companies controlled by directors of the Company.

On 31 October 2024 the Company issued convertible loan notes of £200,000 to Zen Ventures Limited and, as a result, Zen Ventures Limited and its controlling party are considered to have significant influence over the Company. At 31 December 2024 a total of £262,500 was owing to Zen Ventures Limited (2023: £nil) comprising convertible loan notes of £200,000 and a repayable on demand loan of £62,500.

23. CAPITAL COMMITMENTS

The Company had no capital commitments at 31 December 2024 or 31 December 2023.

24. SUBSEQUENT EVENTS

On 27 January 2025 Paul Elliott was appointed as Executive Chairman and Pankaj Rajani was appointed as a Non-Executive Director. On 27 February 2025 James Leahy resigned as Chairman and Michael Rowan resigned as Chief Executive Officer. On 28 March 2025 Michael Rowan resigned as director.

On 27 February 2025 the Company's Ordinary Shares were subdivided into one new Ordinary Share and nine new Deferred Shares for each existing Ordinary Share. This subdivision did not alter the number of Ordinary Shares in issue or the total nominal value of the Company's issued share capital.

In April 2025 the Company issued £200,000 of unsecured convertible loan notes to Wager Holdings Limited pursuant to a new convertible loan note instrument executed on 17 April 2025. This instrument created £500,000 of new unsecured interest free convertible loan notes which are redeemable on or before 31 December 2025 or, at the option of the holder, convertible into new Ordinary Shares in the Company.

25. ULTIMATE CONTROLLING PARTY

The Company has no overall controlling party.