

Registration number: 08848899

# Advanced Innergy Holdings Ltd

Interim Report and Consolidated Financial Statements

for the period from 1 October 2024 to 31 March 2025

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## Advanced Innergy Holdings Ltd

### Company Information

**Registered number** 08848899

**Directors** A D Bennion  
A M King  
R Ward  
S H Shepherd  
J P Drury  
R B Wallace

**Registered office** Unit E Quedgeley West Business Park  
Bristol Road  
Gloucester  
GL2 4PA

**Solicitors** HCR Law  
Ellenborough House  
Cheltenham  
GL50 1YD

**Independent auditor** RSM UK Audit LLP  
Chartered Accountants  
2nd Floor, 1 The Square  
Temple Quay  
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## Advanced Innergy Holdings Ltd

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## Advanced Innergy Holdings Ltd

### Group strategic report for the Period Ended 31 March 2025

The directors present their Strategic report on the Group for the six months ended 31 March 2025.

The principal activity of Advanced Innergy Holdings Limited and its subsidiaries is the development, manufacture, supply and application of fire-retardant coatings, sub-sea insulation materials, sub-sea cable protection systems and buoyancy products to the renewable, transition, and non-renewable energy sectors.

#### Business review

The directors are pleased with the results for the six month period to 31 March 2025 and despite the difficult economic and political backdrop, the Group has shown significant improvement versus the same period for 2024. The Group achieved sales growth of 21% to £78.3 million for the period (March 2024: £64.4 million). The outlook for the remaining year and beyond is increasingly positive with a considerable number of projects being approved or actively moving forward.

The forward order book stood at £87.1m for March 2025, which has remained strong in comparison to the prior period of £91.2m. The Group is confident of continued growth throughout the rest of the year and beyond underpinned by a healthy pipeline and as we continue to see growth from our energy transition programme.

EBITDA is considered by the board to be the key performance indicator of the Group. The Group generated an adjusted EBITDA of £13.3 million (2024: £9.5 million) and an operating profit of £9.3 million (2024: £5.7 million). This is equivalent to an EBITDA return on sales of 17.0% (2024: 14.8%), an increase driven from improved margins across all key markets as legacy contracts were unwound and purchase savings achieved.

Strong working capital controls, improved contracting terms, and better working capital facilities helped increase cash balances to £10.5 million (2024: £4.2 million).

During the 2024 financial year the Group exited its longstanding private equity investors and restructured the long-term borrowings via a refinancing and debt to equity conversion exercise. This has led to a fall in long term borrowings to £34.5 million (2024: £64.7 million) which greatly improves the Groups balance sheet strength, as well as providing additional funding to allow the Group to pursue its growth initiatives.

#### Principal risks and uncertainties

Group sales are primarily dependent on capital investment in the energy industry. The Ukraine conflict has emphasized the importance of national energy security and coupled with a recovery in the oil price, this has led to increasing market activity, presenting significant opportunities for the Group.

Margins remain under pressure as our customers look to cut costs, however, the Group has been able to maintain margins at good levels due to a very successful and on-going cost reduction programme.

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**Advanced Innergy Holdings Ltd**

**Group strategic report for the Period Ended 31 March 2025**

**Future developments**

The Group will continue to invest significantly to support its extensive Research and Development programmes. It is focused on developing new products and enhancing the performance of existing products. The policy is fundamental to ensuring the Group will be well placed to take advantage of future growth in the non-renewable energy sector, as well as enabling the Group to continue its transition to supporting new energy developments, keeping the Group at the forefront of its technologies.

The Group is continuing the process of rolling out new products which have been developed over the previous years for the renewable energy and automotive market, as well as continuing to expand our global footprint and sales to energy markets outside of non-renewables.

Approved by the Board on <sup>01/07/25</sup> ..... and signed on its behalf by:

*Andrew Bennion*

.....

A D Bennion  
Director

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## Advanced Innergy Holdings Ltd

### Environmental, Social and Governance Report for the Year Ended 31 March 2025

#### Responsible Business Practices

Operating responsibly is central to AIS' business model. We put the safety of our people first, maintain policies and procedures aligned to internationally recognised standards, and exercise responsible environmental management practices.

During the first half of this year, we commissioned a sustainability diagnostic to be conducted by an independent third party. The objective was to assess our existing management of ESG and establish whether there were any gaps in our approach. The exercise involved interviewing subject matter experts from across the business, as well as reviewing all relevant documents and performance data.

The diagnostic found that we have robust management of our material ESG issues, with clearly defined policies, processes, and responsibilities, as well as a strong understanding and mitigation/prevention of the risks associated with our industry. For the gaps identified, we were able to set clear action plans.

In strengthening our understanding of the most material issues for the business, we also created our sustainability framework, Advancing Impact and Sustainability. This framework comprises five core areas: Sustainability in Product Design, QHSE, Our People, Our Value Chain, and Decarbonisation.

#### Sustainability in Product Design

The Group's materials are designed for industries in transition: they insulate LNG facilities that displace coal, lighten offshore structures, protect EV battery packs and extend the life of energy assets so that carbon intensive new builds are deferred.

During the first half of the year, AIS acquired a battery testing facility in Wales. This acquisition strengthens our position in the battery safety industry and establishes AIS as Europe's largest battery testing and material development centre.

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## Advanced Innergy Holdings Ltd

### Environmental, Social and Governance Report for the Year Ended 31 March 2025

#### QHSE

AIS has quality, health, safety, and environmental (QHSE) systems in place across all operational sites. These systems are certified under internationally recognised ISO management standards: ISO 9001 (Quality Management), ISO 14001 (Environmental Management) and ISO 45001 (Occupational Health and Safety), demonstrating AIS' compliance with legal obligations and industry best practice in health, safety, and environmental risk management.

This year we have undertaken a review of our business continuity planning. This included a wide-ranging review of existing processes across the business, with training sessions subsequently being conducted with colleagues.

Our 'Think Safe, Act Safe, Be Safe' promotes a strong health and safety culture and focusing on reducing key risks, continually improving health and safety competencies, and sharing and celebrating key safety information. We recorded a total recordable incident rate (TRIR) of 2.4 for the HY 2025.

	FY 2022	FY 2023	FY 2024	HY 2025
<b>Incidents (Lost Time, Restricted Work &amp; Medical Treatment Cases)</b>	5	11	7	4
<b>Hours</b>	926,293	1,277,289	1,515,679	803,260
<b>TRIR</b>	5.30	8.60	4.60	4.90

#### Our people

AIS employs over 750 staff across 12 countries, with approximately 80% of the workforce engaged in direct labour and 20% in overhead or administrative roles. The Group places a strong emphasis on workforce quality and retention, and a suite of HR policies provides a foundation for fair and equitable treatment of its employees.

There is a focus on internal promotion and there are annual reviews for professional roles, whilst the site application teams benefit from a buddy system and a continuous reviewing process due to nature of their work. A development training programme for individuals that have been identified for progression from across the business is held on annual basis. The six-month course this year included a cohort of 24 employees.

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## Advanced Innergy Holdings Ltd

### Environmental, Social and Governance Report for the Year Ended 31 March 2025

#### Our value chain

AIS has set clear standards and expectations of its supplier base, which are codified in Group policies including Anti-Slavery and Human Trafficking, Procurement, Sanctions, and Supply Chain Management. The SCM policy clarifies that all suppliers engaged by the Group are assessed to ensure they can provide goods or services that conform to the Group's commitment to ISO 9001, ISO 14001, ISO 45001 and to enable the Group meet legal and client requirements and specifications.

The Group has a proactive supplier management strategy. This includes frequent engagement with suppliers, reviews of key strategic suppliers every 6 months against an internally designed scorecard, and continuous monitoring for controversies/issues that could result in cost implications for AIS. To mitigate any risk of disruption in the supply chain, the business continues to seek contingencies and ensure that our procurement does not rely upon single sourcing.

#### Decarbonisation

For over a decade, the Group has been identifying opportunities to decarbonise its operations. Actions have included investment into energy efficient equipment and infrastructure, deployment of change management practice to improve operational behaviours, and installation of solar panels at three of its sites. Our objective is to now formalise this approach and create a Group-wide decarbonisation pathway.

In compliance with the Energy Savings Opportunity Scheme (ESOS), we have conducted an audit of all our UK locations to identify energy saving measures. We advanced our approach to energy and emissions monitoring in 2025, consolidating data from our global locations to create a complete picture of the Group's emissions profile. This will enable the business to design the next phase in a credible decarbonisation plan.

Scope1 and 2	Unit	FY 2022	FY 2023	FY 2024	HY 2024	HY 2025
United Kingdom	tCO2e	641.91	2,202.10	1,839.00	1,051	1,225.00
Brazil	tCO2e	0.65	1.15	0.89	0.45	0.62
France (AIS Bardot)	tCO2e	7.40	10.46	5.59	3.28	1.90
Dubai (AIS FZE)	tCO2e	78.63	80.74	35.98	16.06	15.87
Total	tCO2e	728.59	2,294.45	1,881.46	1,070.75	1,243.39

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## Advanced Innergy Holdings Ltd

### Directors' report for the Period Ended 31 March 2025

The directors present their report and the audited consolidated financial statements for the period ended 31 March 2025.

#### **Financial risk management objectives and policies**

The management of the Group and the execution of its strategy are subject to a number of risks. The principal risk and uncertainties affecting the Group include the following:

##### *Foreign currency risk*

The Group deals in multiple currencies which can cause foreign exchange risk. There is a risk that there may be an adverse movement in the exchange rate of the transaction currency in relation to the functional currency before the date when the transaction is completed.

It is Group policy that exposures resulting from sales and purchases in foreign currency are matched where possible, and the net exposure may be hedged by the use of forward exchange contracts. The Group does not undertake speculative foreign exchange dealings for which there is no underlying exposure. Hedge accounting is not used.

##### *Credit risk*

The Group is subject to the risk of financial loss if a customer fails to meet its contractual obligations.

Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Credit evaluations are carried out on all customers requiring credit. The Group minimises this risk by use of credit insurance and trade finance instruments such as letter of credit. At the balance sheet date there were no significant concentrations of credit risk.

##### *Liquidity and interest rate risk*

In order to maintain liquidity, and to ensure sufficient funds are available for ongoing operations and future developments, the Group use working capital funding from its bankers.

The Group does not undertake any hedging in this area.

##### *Market risk*

The Group predominately operates in the Oil and Gas Industry and is therefore subject to the risks of this market. The Group looks to manage this risk by working with its customers on price expectations in the current climate and continuing with extensive Research and Development programmes to ensure the Group remains at the forefront of its technologies.

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## Advanced Innergy Holdings Ltd

### Directors' report for the Period Ended 31 March 2025

#### Streamlined Energy and Carbon Reporting ("SECR")

Energy	Unit of measurement	Emission scope	Current reporting year	Comparison reporting year
Natural gas	(tCO2e)	1	395.00	596.30
LPG	(tCO2e)	1	68.00	88.78
Company vehicles	(tCO2e)	1	8.00	21.72
Electricity	(tCO2e)	2	1,368.00	1,495.30
Car usage	(tCO2e)	3	81.00	64.13
Electricity transmission	(tCO2e)	3	118.00	
Other scope 3 items	Not quantified			
<b>Total emissions (tCO2e)</b>			<b>2,039.00</b>	<b>2,266.23</b>
<b>Annual quantity of energy consumed (kWh)</b>			<b>9,500,931.00</b>	<b>10,926,888.88</b>
<b>Emission intensity (tCO2e/£million turnover)</b>			<b>0.000017</b>	<b>0.000023</b>
<b>Emission intensity (tCO2e/m2)</b>			<b>0.058</b>	<b>0.064</b>

The above table shows the SECR reporting for Advanced Innergy Solutions Limited and CRP Subsea Limited, all other entities within the group including this entity either has no carbon emissions to report on or are individually below the threshold for SECR reporting.

#### Methodology

- Electricity and natural gas disclosures have been calculated using metered kWh consumption taken from supplier fiscal invoices. LPG disclosures were calculated from invoices from the supplier.
- Transport disclosures have been calculated using business mileage expense claim records. Vehicle fuel type was available for all vehicles. Emission factors for an average sized vehicle was assumed.
- The 2023 government conversion factors for greenhouse gas reporting were used to calculate the greenhouse gas emissions.
- The emission intensity was calculated using scope 1, 2 and 3 tCO2e per £million turnover.
- Other scope 3 items such as non-mileage travel have not be quantified.
- The report and calculations were completed by Paul Thorn, Direct Efficiency Ltd.

**Advanced Innergy Holdings Ltd**

**Directors' report for the Period Ended 31 March 2025**

**Strategy & Actions taken**

AIS are committed to reducing our environmental impact, including ongoing improvements aimed at reducing greenhouse gas and carbon emissions.

Actions taken during this reporting period include:

- Establishing a management steering group to lead company-wide energy-saving initiative.
- AIS' management steering group continue to lead a company-wide energy-saving initiative.
- ESOS energy survey carried out by a specialist consultant.
- Energy saving champions worked with local teams to identify energy saving measures in their part of the business.
- Solar panels have been installed at CRP Subsea Ltd.

There is a plan to improve carbon reporting across the global business over the coming period, with a view to establishing a group-wide Net Zero strategy.

**Disclosure of information to the auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Approved by the Board on <sup>01/07/25</sup> ..... and signed on its behalf by:

*Andrew Bennion*

.....

A D Bennion  
Director

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## Advanced Innergy Holdings Ltd

### Independent Review Report to Advanced Innergy Holdings Ltd

#### Conclusion

We have been engaged by Advanced Innergy Holdings Limited ('the Company') to review the complete set of financial statements of the Company and its subsidiaries (the 'Group') in the interim financial report for the six months ended 31 March 2025 and for the six months ended 31 March 2024 which comprises the consolidated statement of profit or loss and other comprehensive income, the Consolidated statement of financial position, the consolidated statement of changes in equity, consolidated statement of cash flows and the notes to the consolidated financial statements. We have read the other information contained in the interim financial report and considered whether it contains any apparent material misstatements of fact or material inconsistencies with the information in the complete set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the complete set of financial statements in the interim financial report for the six months ended 31 March 2025 and for the six months ended 31 March 2024 does not give a true and fair view of the financial position of the Advanced Innergy Holdings Limited as at 31 March 2025 and 31 March 2024 and of the financial performance of the Group and the cash flows of the Group for six months period then ended in accordance with applicable law and UK-adopted International Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework".

#### Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ('ISRE (UK) 2410') issued for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with UK-adopted International Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework". The interim financial information included in this interim financial report has been prepared in accordance with UK-adopted International Accounting Standards Financial Reporting Standard 101 "Reduced Disclosure Framework".

#### Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the Group and the Company to cease to continue as a going concern.

**Advanced Innergy Holdings Ltd**

**Independent Review Report to Advanced Innergy Holdings Ltd**

**Responsibilities of directors**

The interim financial report, is the responsibility of, and has been approved by the directors. The directors are responsible for the preparation of interim financial information that gives a true and fair view of the financial position of the Group as at 31 March 2025 and 31 March 2024 and of the financial performance of the Group and the cash flows of the Group for six month period then ended in accordance with applicable law and UK-adopted International Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework". The directors are also responsible for preparing and presenting the interim] financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the interim financial report, the directors are responsible for assessing the Group's and 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 Group or the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Review of the Financial Information**

In reviewing the interim financial report, we are responsible for expressing to the Company a conclusion on the complete set of financial statements in the interim financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

**Use of our report**

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity". Our review work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review 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, for our review work, for this report, or for the conclusions we have formed.

*RSM UK AUDIT LLP*

.....

For and on behalf of RSM UK Audit LLP

Chartered Accountants  
RSM UK Audit LLP  
2nd Floor, 1 The Square  
Temple Quay  
Bristol  
BS1 6DG

Date: 01/07/25 .....

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Advanced Innergy Holdings Ltd

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Period  
Ended 31 March 2025

	Note	Interim period ended 31 March 2025 £	Interim period ended 31 March 2024 £
Revenue	3	78,322,069	64,354,951
Cost of sales	4	<u>(52,466,177)</u>	<u>(42,745,237)</u>
<b>Gross profit</b>		25,855,892	21,609,714
Administrative expenses	4	(12,622,916)	(12,176,937)
Other operating income	5	<u>68,860</u>	<u>75,454</u>
<b>Adjusted EBITDA</b>		13,301,836	9,508,231
Depreciation of tangible fixed assets:			
- Owned by the company		(2,642,645)	(2,535,420)
- Foreign exchange differences on depreciation		5,818	(51,648)
Amortisation of intangible assets		(723,158)	(893,458)
Exceptional costs	4	<u>(624,887)</u>	<u>(348,848)</u>
<b>Operating profit</b>		9,316,964	5,678,857
Share of loss in joint venture		(26,894)	(29,244)
Gain on derivatives	4	22,771	138,611
Interest receivable and similar income	4	22,505	246
Interest payable and similar charges	4	<u>(2,753,457)</u>	<u>(2,532,683)</u>
<b>Profit before income tax expense</b>		6,581,889	3,255,787
Income tax expense		<u>(1,701,647)</u>	<u>(1,277,691)</u>
<b>Profit after income tax expense</b>		<u>4,880,242</u>	<u>1,978,096</u>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Movement of foreign exchange		<u>(30,997)</u>	<u>5,649</u>
<b>Total comprehensive profit for the period</b>		<u>4,849,245</u>	<u>1,983,745</u>
<b>Profit for the period attributable to:</b>			
Owners of the parent		4,808,808	2,023,966
Non-controlling interest		<u>71,434</u>	<u>(45,870)</u>
<b>Profit for the period</b>		<u>4,880,242</u>	<u>1,978,096</u>

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Advanced Innergy Holdings Ltd

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Period  
Ended 31 March 2025

**Total comprehensive profit for the period attributable to:**

Non-controlling interest	71,434	(45,870)
Owners of the parent	<u>4,808,808</u>	<u>2,023,966</u>
<b>Total comprehensive profit for the period</b>	<u><u>4,880,242</u></u>	<u><u>1,978,096</u></u>

All amounts relate to continuing operations.

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Advanced Innergy Holdings Ltd

(Registration number: 08848899)

Consolidated Statement of Financial Position as at 31 March 2025

	Note	31 March 2025 £	31 March 2024 £
<b>Non-current assets</b>			
Property, plant and equipment	6	40,372,752	38,493,735
Intangibles	7	49,741,353	48,447,599
Deferred tax		-	334,218
		<u>90,114,105</u>	<u>87,275,552</u>
<b>Current assets</b>			
Cash and cash equivalents		10,538,067	4,194,070
Trade and other receivables	9	37,113,661	25,249,340
Corporation tax		1,468,235	826,508
Contract assets	10	17,649,123	15,538,133
Inventories	11	<u>10,683,382</u>	<u>9,219,598</u>
		<u>77,452,468</u>	<u>55,027,649</u>
<b>Current liabilities</b>			
Trade and other payables	12	(31,050,313)	(27,551,149)
Contract liabilities	13	(13,184,024)	(9,473,706)
Borrowings	14	(10,256,693)	(6,418,356)
Provisions		(88,653)	(163,529)
Lease liabilities	15	<u>(2,264,153)</u>	<u>(1,919,420)</u>
		<u>(56,843,836)</u>	<u>(45,526,160)</u>
<b>Net current assets</b>		<u>20,608,632</u>	<u>9,501,489</u>
<b>Total assets less current liabilities</b>		110,722,737	96,777,041
<b>Non-current liabilities</b>			
Borrowings	14	(34,542,828)	(64,728,596)
Deferred tax		(1,632,311)	-
Lease liabilities	15	<u>(9,946,794)</u>	<u>(7,700,072)</u>
<b>Net assets</b>		<u>64,600,804</u>	<u>24,348,373</u>

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Advanced Innergy Holdings Ltd

(Registration number: 08848899)

Consolidated Statement of Financial Position as at 31 March 2025

	Note	31 March 2025 £	31 March 2024 £
<b>Equity</b>			
Issued capital	16	1,063	1,062
Preferred ordinary shares	16	4,076,033	-
Share premium account	17	816,067	814,575
Foreign exchange reserve	17	973,800	971,383
Capital contribution reserve	17	4,341,974	4,341,974
Retained profits	17	55,405,285	19,231,168
Equity attributable to owners of the parent		65,614,222	25,360,162
Non-controlling interest		(1,013,418)	(1,011,789)
<b>Total equity</b>		<u>64,600,804</u>	<u>24,348,373</u>

The financial statements were approved and authorised for issue by the Board on <sup>01/07/25</sup> ..... and signed on its behalf by:

*Andrew Bennion*

.....

A D Bennion

Director

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## Advanced Innergy Holdings Ltd

### Consolidated statement of changes in equity for the Period Ended 31 March 2025

	Share capital	Preferred ordinary shares	Share premium account	Foreign exchange reserve	Capital contribution reserve	Retained earnings	Equity attributable to the parent	Non-controlling interest	Total
	£	£	£	£	£	£	£	£	£
Balance at 1 October 2024	1,063	4,076,033	816,067	1,004,797	4,341,974	50,596,477	60,836,411	(1,047,644)	59,788,767
Profit / (loss) after income tax expense for the period	-	-	-	-	-	4,808,808	4,808,808	71,434	4,880,242
Other comprehensive loss for the period, net of tax	-	-	-	(30,997)	-	-	(30,997)	-	(30,997)
Total comprehensive income for the period	-	-	-	(30,997)	-	4,808,808	4,777,811	71,434	4,849,245
<i>Transactions with owners in their capacity as owners:</i>									
Dividends paid	-	-	-	-	-	-	-	(37,208)	(37,208)
<b>Balance at 31 March 2025</b>	<b>1,063</b>	<b>4,076,033</b>	<b>816,067</b>	<b>973,800</b>	<b>4,341,974</b>	<b>55,405,285</b>	<b>65,614,222</b>	<b>(1,013,418)</b>	<b>64,600,804</b>

## Advanced Innergy Holdings Ltd

### Consolidated statement of changes in equity for the Period Ended 31 March 2025

	Share capital £	Share premium account £	Foreign exchange reserve £	Capital contribution reserve £	Retained earnings £	Equity attributable to the parent £	Non - controlling interest £	Total £
Balance at 1 October 2023	1,062	814,575	965,734	4,341,974	17,207,202	23,330,547	(924,319)	22,406,228
Profit / (loss) after income tax expense for the period	-	-	-	-	2,023,966	2,023,966	(45,870)	1,978,096
Other comprehensive loss for the period, net of tax	-	-	5,649	-	-	5,649	-	5,649
Total comprehensive income for the period	-	-	5,649	-	2,023,966	2,029,615	(45,870)	1,983,745
<i>Transactions with owners in their capacity as owners:</i>								
Dividends paid	-	-	-	-	-	-	(41,600)	(41,600)
<b>Balance at 31 March 2024</b>	<b>1,062</b>	<b>814,575</b>	<b>971,383</b>	<b>4,341,974</b>	<b>19,231,168</b>	<b>25,360,162</b>	<b>(1,011,789)</b>	<b>24,348,373</b>

## Advanced Innergy Holdings Ltd

### Consolidated statement of cash flows for the Period Ended 31 March 2025

	Note	Period ended 31 March 2025 £	Period ended 31 March 2024 £
<b>Cash flows from operating activities</b>			
Operating profit for the period		9,316,964	5,678,857
Adjustments for:			
Depreciation of property, plant and equipment		2,642,645	2,535,420
Amortisation of intangible assets and finance costs		723,158	893,458
Taxation paid		(910,350)	(108,938)
Share of loss in joint ventures		(26,894)	(29,244)
Increase in inventories and work in progress		(1,480,366)	(1,481,645)
Increase in trade and other receivables		(8,450,972)	(1,536,930)
Decrease in payables and accruals		<u>(66,116)</u>	<u>(2,378,198)</u>
<b>Net cash generated by operating activities</b>		<u>1,748,069</u>	<u>3,572,780</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(209,195)	(1,045,010)
Payments for intangible assets		(837,511)	(829,878)
Proceeds from disposal of property, plant and equipment		28,735	100,541
Interest received		<u>22,505</u>	<u>246</u>
<b>Net cash used in investing activities</b>		<u>(995,466)</u>	<u>(1,774,101)</u>
<b>Cash flows from financing activities</b>			
Net movement of finance leases and hire purchase contracts		(1,686,323)	(1,219,978)
Interest paid on finance leases and hire purchase contracts		(174,636)	(160,748)
Interest paid on bank loans and loan notes		(2,247,648)	(1,667,604)
Bank loans issued		(1,855,250)	(709,177)
Dividends paid		<u>(37,208)</u>	<u>(41,600)</u>
<b>Net cash used in financing activities</b>		<u>(6,001,065)</u>	<u>(3,799,107)</u>
Net decrease in cash and cash equivalents		(5,248,462)	(2,000,428)
Cash and cash equivalents at the beginning of the period		9,580,656	2,158,623
Effect of exchange rate fluctuations on cash held		<u>(44,127)</u>	<u>35,875</u>
<b>Cash and cash equivalents at the end of the period</b>		<u>4,288,067</u>	<u>194,070</u>
<b>Consisting of:</b>			
Cash and short-term deposits		10,538,067	4,194,070
Bank overdrafts and contract financing	14	<u>(6,250,000)</u>	<u>(4,000,000)</u>
		<u>4,288,067</u>	<u>194,070</u>

# Advanced Innergy Holdings Ltd

## Notes to the consolidated financial statements for the Period Ended 31 March 2025

### 1 Significant accounting policies

#### General information

These financial statements cover Advanced Innergy Holdings limited and all its subsidiary undertakings (the 'Group'). The financial statements are presented in Sterling ("£"), which is the Group's functional and presentation currency.

Advanced Innergy Holdings Limited is a company limited by shares, incorporated and domiciled in England & Wales. Its registered office and principal place of business are:

#### Registered office

Unit E Quedgeley West Business Park  
Bristol Road  
Gloucester  
GL2 4PA

#### Principal places of business

Unit E Quedgeley West Business Park  
Bristol Road  
Gloucester  
GL2 4PA

Stanley Way  
Skelmersdale  
Lancashire  
WN8 8EA

During the financial period the principal continuing activities of Advanced Innergy Holdings Ltd and its subsidiaries were the manufacture, supply and application of fire retardant coatings, sub-sea insulation materials and buoyancy products to the oil, gas and petrochemical industries.

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

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## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### Basis of preparation

The financial reporting framework that has been applied in the preparation of the consolidated financial statements is UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

The consolidated financial statements have been prepared under the historical cost convention. The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The comparative period for these financial statements are the 6 months ending 31 March 2024.

#### Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

#### Basis of consolidation

The consolidated Financial Statements incorporate the financial statements of the Parent Company and entities controlled by the Company (its subsidiaries) as at 31 March 2025. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intragroup transactions and dividends are eliminated in full.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

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## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### **New or amended Accounting Standards and Interpretations adopted**

The Group has adopted the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

Any new or amended accounting standards or interpretations not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group

There are no new amended Accounting Standards or Interpretations that are not yet mandatory and not been early adopted by the Group which are expected to have a material impact on the financial statements.

#### **Going concern**

The Group meets its day-to-day working capital requirements with its available retained cash supported by a revolving credit facility provided by the Group's bankers.

The directors have prepared an extensive three-year forecast which takes into account the current market environment, as discussed in the Strategic Report, and this shows that the Group shall be able to operate within its available cash and working capital facilities.

The business continues to trade satisfactorily with no significant adverse cash flow impact. The business also has cash reserves to draw on if required and is generating positive cashflow from operations. In addition, the group forecasts show covenant compliance throughout the review period with no breaches anticipated. The directors will continue to review the business position and react accordingly. The directors, having taken these steps, believe that the business has sufficient prospect of trade and cash reserves to continue to trade for a period of no less than twelve months from the approval of these accounts.

In view of the above the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Foreign currency translation**

##### *Foreign currency transactions*

Foreign currency transactions are translated into the functional currency of the respective Group entity using the exchange rates prevailing at the dates of the transactions (spot exchange), or where a transaction has been hedged, the hedged rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### Foreign currency translation (continued)

Non-monetary items are not retranslated at period-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined. Where a gain or loss on a non-monetary item is recognised in other comprehensive income the foreign exchange component of that gain or loss is also recognised in other comprehensive income.

#### *Foreign operations*

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than Sterling (£) are translated into Sterling (£) upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into Sterling (£) at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into Sterling (£) at the closing rate. Income and expenses have been translated into Sterling (£) at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

#### Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each arrangement with a customer, the Group: identifies whether the arrangement meets the definition of a contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each performance obligation to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts or any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Whenever applicable, the Group applies the variable consideration allocation exception to recognise revenue for variable amount related to a distinct service that forms part of a single performance obligation.

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## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### Revenue recognition (continued)

##### *IFRS Type 3 - Overtime, input method*

The Group enters into long term contracts with customers that are typically treated as a single performance obligation to cover the design, manufacture and installation of the Group's products. A percentage-based cost of completion approach is applied as revenue is recognised over time. Warranty costs are identified as separate performance obligations only in the very rare circumstances that the warranty term varies significantly from the prevailing standard within the industry.

##### *IFRS Type 3 - Overtime, output method*

Revenue is recognised when the Group has despatched goods in accordance with its obligations under the terms of sale and title of the goods has been transferred to the buyer.

Revenue recognition is conducted using the output method. Revenue is recognised on the basis of the stage of completion whereby it is probable that the Group will obtain the financial benefits related to the assignment, and when a reliable calculation can be made. Anticipated losses are expensed immediately.

The Group's trade receivables are all related to the value of revenue receivable from contracts with customers.

The Group has taken the following practical expedients from IFRS 15:

- The Group need not adjust the promised amount of consideration for the effects of a significant financing component if the expectation is that, at contract inception, the period between when the Group transfers a promised service to a customer and when the customer pays for that service will be one period or less; and
- The Group has recognised incremental costs of obtaining a contract as an expense when incurred if the amortisation period for the asset that would have otherwise been recognised would be one period or less. When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

##### *IFRS Type 1 - Point in time*

A sale of goods is recognised when the Group has transferred to the buyer the significant risk and rewards of ownership, generally when the customer has taken undisputed delivery of the goods.

##### *Interest income*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

#### Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Such cost includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group derecognises the replaced part and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred. Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised within administrative expenses in the income statement.

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Long-term leasehold property	Over the remaining period of the lease
Plant and machinery	4-10 years
Motor vehicles	4-10 years
Fixtures and fittings	2-10 years
Other equipment	4 years
Freehold buildings	20-50 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

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## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### **Property, plant and equipment (continued)**

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

#### **Right-of-use assets**

A right-of-use asset is recognised at commencement of the lease and initially measured at the amount of the lease liability, plus any incremental costs of obtaining the lease and any lease payments made at or before the leased asset is available for use by the group.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged on a straight-line basis over the shorter of the length of the lease or the useful life of the underlying asset.

#### **Intangible assets**

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

#### *Research and development*

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of between 4 and 15 years where the amortisation is charged to administrative expenses.

#### *Goodwill*

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

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## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### **Intangible assets (continued)**

##### *Goodwill impairment testing*

The recoverable amount is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a three-year period, and a discount rate of 10%.

The cash flow projections have assumed a blended 2% growth rate which is believed to be lower than the projected long-term average growth rate for the sector. The directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying value to exceed the aggregate recoverable amount.

#### **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts and revolving credit facilities, which are shown within borrowings in current liabilities on the statement of financial position.

#### **Trade and other receivables**

Trade receivables are initially measured at their transaction price. Group and other debtors are initially measured at fair value plus transaction costs. Debtors are held to collect the contractual cash flows which are solely payments of principal and interest. Therefore, these debtors are subsequently measured at amortised cost using the effective interest rate method.

An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both.

The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss is a probability-weighted amount determined from a range of outcomes and takes into account the time value of money.

For trade receivables, expected credit losses are measured by applying an expected loss rate to the gross carrying amount. The expected loss rate comprises the risk of a default occurring and the expected cash flows on default based on the aging of the debtor. The risk of a default occurring always takes into consideration all possible default events over the expected life of those debtors ("the lifetime expected credit losses"). Different provision rates and periods are used based on groupings of historic credit loss experience by product type, customer type and location.

Default is defined by management as probable non-payments of asset balances.

## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### Contract assets

Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

#### Inventories

Raw materials and work in progress are stated at the lower of cost measured using the "average cost method" and net realisable value after making due allowance for obsolete and slow-moving inventory.

Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs of purchased stock are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 to 90 days of recognition.

#### Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

#### Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

#### Financial instruments

##### *Recognition, initial measurement and derecognition*

The Group has applied the requirements of IFRS 9 to all financial instruments. Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

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## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### Financial instruments (continued)

##### *Classification and subsequent measurement of financial assets*

The classification of financial assets under IFRS 9 is based on whether the contractual cash flows of the instrument are solely payments of principal and interest, and whether the business model is to collect those contractual cash flows and/or sell the financial assets. All of the Group's financial assets are classified as assets at amortised cost under IFRS 9.

IFRS 9 requires impairments of financial assets to be assessed using an 'expected loss' model.

The loss allowance on all financial assets is measured by considering the probability of default. Trade debtors are considered to be in default on an individual basis, based on various indicators, such as significant financial difficulty or expected bankruptcy. The directors will continue to estimate impairment losses under IFRS 9 at each reporting date.

##### *Classification and subsequent measurement of financial liabilities*

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are measured subsequently at amortised cost using the effective interest method except for derivatives and financial liabilities designated at fair value through profit or loss (FVTPL), measured at fair value with gains or losses recognised in profit or loss.

Financial liabilities that do not carry interest at the market rate are measured subsequently at amortised cost using the effective interest method. Where changes are made to the terms of the financial liability, the fair value of the financial liability is only remeasured when there has been a substantial change in terms.

#### **Derecognition of financial assets (including write-offs) and financial liabilities**

A financial asset (or part thereof) is derecognised when the contractual rights to cash flows expire or are settled, or when the contractual rights to receive the cash flows of the financial asset and substantially all the risks and rewards of ownership are transferred to another party.

When there is no reasonable expectation of recovering a financial asset it is derecognised ('written off'). The gain or loss on derecognition of financial assets measured at amortised cost is recognised in profit or loss. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires. Any difference between the carrying amount of a financial liability (or part thereof) that is derecognised and the consideration paid is recognised in profit or loss.

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## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Hedge accounting has not been applied.

#### Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit (CGU). Goodwill is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors the related cash flows.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount in the Statement of Comprehensive Income. Impairment losses recognised for CGUs, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGU. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Goodwill, other individual assets or CGUs that include goodwill are tested for impairment at least annually. All Group entities are considered to be 1 CGU given the manufacture and installation of the Group's products across the business are so closely linked.

#### Leases

At inception, the Group assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within tangible fixed assets, apart from those that meet the definition of investment property.

#### *Initial measurement of lease liability*

The lease liability is initially measured at the present value of the lease payments during the lease term discounted using the interest rate implicit in the lease, or the incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined.

## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### Leases (continued)

The lease term is the non-cancellable period of the lease plus extension periods that the Group is reasonably certain to exercise and termination periods that the Group is reasonably certain not to exercise.

Lease payments include fixed payments, less any lease incentives receivable, variable lease payments dependent on an index or a rate (such as those linked to LIBOR) and any residual value guarantees. Variable lease payments are initially measured using the index or rate when the leased asset is available for use. Termination penalties are included in the lease payments if the lease term has been adjusted because the Group reasonably expects to exercise an option to terminate the lease. The exercise price of an option to purchase the leased asset is included in the lease liability when the Group is reasonably certain to exercise that option.

#### *Subsequent measurement of lease liability*

The lease liability is subsequently increased for a constant periodic rate of interest on the remaining balance of the lease liability and reduced for lease payments. Interest on the lease liability is recognised in profit or loss.

Variable lease payments not included in the measurement of the lease liability as they are not dependent on an index or rate, are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

#### *Re-measurement of the lease liability*

The lease liability is adjusted for changes arising from the original terms and conditions of the lease that change the lease term, the Group's assessment of its option to purchase the leased asset, the amount expected to be payable under a residual value guarantee and/or changes in lease payments due to a change in an index or rate. The adjustment to the lease liability is recognised when the change takes effect and is adjusted against the right-of-use asset, unless the carrying amount of the right-of-use asset is reduced to £nil, when any further adjustment is recognised in profit or loss.

Adjustments to the lease payments arising from a change in the lease term or the lessee's assessment of its option to purchase the leased asset are discounted using a revised discount rate. The revised discount rate is calculated as the interest rate implicit in the lease for the remainder of the lease term, or if that rate cannot be readily determined, the lessee's incremental borrowing rate at the date of reassessment.

Changes to the amounts expected to be payable under a residual value guarantee and changes to lease payments due to a change in an index or rate are recognised when the change takes effect, and are discounted at the original discount rate unless the change is due to a change in floating interest rates, when the discount rate is revised to reflect the changes in interest rate.

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## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### Leases (continued)

##### *Lease modifications*

A lease modification is a change that was not part of the original terms and conditions of the lease and is accounted for as a separate lease if it increases the scope of the lease by adding the right to use one or more additional assets with a commensurate adjustment to the payments under the lease.

For a lease modification not accounted for as a separate lease, the lease liability is adjusted for the revised lease payments, discounted using a revised discount rate. The revised discount rate use is the interest rate implicit in the lease for the remainder of the lease term, or if that rate cannot be readily determined, the lessee company's incremental borrowing rate at the date of the modification.

Where the lease modification decreases the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease. Any difference between the adjustment to the lease liability and the adjustment to the right-of-use asset is recognised in profit or loss.

For all other lease modifications, the adjustment to the lease liability is recognised as an adjustment to the right-of-use asset.

##### *Subsequent measurement of the right-of-use asset*

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other tangible fixed assets. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### Income tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

#### Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

#### Employee benefits

##### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

##### *Defined contribution pension expense*

Contributions to defined contribution pension plans are expensed in the period in which they are incurred.

## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### 2 Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial period are discussed below.

##### Recognition of service and construction contract revenues

Revenue recognised overtime is calculated using a percentage of cost completion method. This includes managements best estimate of cost to complete open contracts and projects at the period end. A percentage based cost of completion model is used by management as the best estimate of progress of the contract as it is delivered to the end customer.

##### Capitalisation of internally developed assets

A judgement is applied by management in distinguishing the research and development phases of a new internally developed asset and determining whether the recognition requirements for the capitalisation of development costs are met. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired (see Intangible Assets accounting policy).

##### Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

##### Discount rates

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, or is not applicable, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset or similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Group where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

The Group uses incremental borrowing rates specific to each lease or portfolio of leases. The rates used for all leases as at 1 October 2021 is an average rate of 2.5%. A 25-basis point increase/(decrease) in the rate would cause the lease liabilities and the right-of-use assets to change by a minimal amount.

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## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### **Estimation of useful lives of assets**

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

#### **Impairment of non-financial assets other than goodwill and other indefinite life intangible assets**

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

#### **Consolidation of Contraflex Kazakhstan and Advanced Innergy Solutions Angola Ltda**

These entities are accounted as subsidiaries as the Group benefits from all of these entities' income and exercises practical control on a day-to-day basis. They are therefore controlled and consolidated into these group financial statements.

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## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### 3 Revenue

The whole of the revenue is attributable to the principal activity of the Group.

#### Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	<b>1 October 2024 to 31 March 2025</b>	<b>1 October 2023 to 31 March 2024</b>
	£	£
Revenues from contracts with customers	72,208,636	60,834,641
Revenues recognised at a point in time with customers	<u>6,113,433</u>	<u>3,520,310</u>
	<u>78,322,069</u>	<u>64,354,951</u>
	<b>1 October 2024 to 31 March 2025</b>	<b>1 October 2023 to 31 March 2024</b>
	£	£
<b>Geographical regions</b>		
United Kingdom	18,219,010	9,508,581
Europe	8,412,386	12,615,451
Rest of the World	<u>51,690,673</u>	<u>42,230,919</u>
	<u>78,322,069</u>	<u>64,354,951</u>
	<b>1 October 2024 to 31 March 2025</b>	<b>1 October 2023 to 31 March 2024</b>
	£	£
<b>Timing of revenue recognition</b>		
At a point in time	6,113,433	3,520,311
Over time	<u>72,208,636</u>	<u>60,834,640</u>
	<u>78,322,069</u>	<u>64,354,951</u>

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period is £87,076,000 (31 March 2024: £91,200,000).

This is expected to be recognised within 12 - 18 months.

## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### 4 Expense by nature

	1 October 2024 to 31 March 2025 £	1 October 2023 to 31 March 2024 £
<b>Cost of sales</b>	<u>52,466,177</u>	<u>42,745,237</u>
<b>Administrative expenses</b>		
Irrecoverable receivable income	(454,653)	(6,022)
Net foreign exchange loss	(43,510)	374,976
Loss on disposal of fixed asset	200	4,473
Research costs recognised in the income statement	17,630	40,405
Other expenditure	<u>13,103,249</u>	<u>11,763,105</u>
	<u>12,622,916</u>	<u>12,176,937</u>
<b>Depreciation of tangible fixed assets</b>		
Owned by the group	2,642,645	2,535,420
Foreign exchange differences on depreciation	<u>(5,818)</u>	<u>51,648</u>
	<u>2,636,827</u>	<u>2,587,068</u>
<b>Amortisation</b>		
Amortisation of development costs	<u>723,158</u>	<u>893,458</u>
<b>Exceptional costs</b>		
Other expenditure	<u>624,887</u>	<u>348,848</u>
	<u>624,887</u>	<u>348,848</u>
<b>Finance income and expenditure</b>		
Gain on derivatives	(22,771)	(138,611)
Bank interest receivable	(22,505)	(246)
Loan interest payable	<u>2,753,457</u>	<u>2,532,683</u>
	<u>2,708,181</u>	<u>2,393,826</u>

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Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Period Ended 31 March 2025

5 Other income

	1 October 2024 to 31 March 2025 £	1 October 2023 to 31 March 2024 £
Other operating income	68,860	75,454

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## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

6 Non-current assets - property, plant and equipment		Freehold property	Long term leasehold property	Plant and machinery	Motor vehicles	Assets under construction	Fixtures and fittings	Other Equipment	Total
		£	£	£	£	£	£	£	£
Cost									
At 1 October 2024		13,847,104	13,126,053	41,737,662	85,654	3,527,327	3,414,948	1,426,475	77,165,223
Additions		-	179,906	588,282	-	1,129,794	15,299	48,481	1,961,762
Foreign exchange movement		-	13,323	244	760	-	616	(401)	14,542
Disposals		-	(27,780)	(955)	-	-	-	-	(28,735)
Transfers		-	-	30,573	-	(30,573)	-	-	-
At 31 March 2025		13,847,104	13,291,502	42,355,806	86,414	4,626,548	3,430,863	1,474,555	79,112,792

## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

	Freehold property	Long term leasehold property	Plant and machinery	Motor vehicles	Assets under construction	Fixtures and fittings	Other Equipment	Total
	£	£	£	£	£	£	£	£
<b>Accumulated depreciation</b>								
At 1 October 2024	4,249,155	2,817,937	26,212,152	44,341	-	1,906,065	867,748	36,097,398
Charge for the period	124,318	567,781	1,668,678	6,441	-	153,344	122,083	2,642,645
At 31 March 2025	4,373,473	3,385,718	27,880,830	50,782	-	2,059,409	989,831	38,740,043
<b>Net book value</b>								
At 31 March 2025	9,473,634	9,905,784	14,474,976	35,632	4,626,548	1,371,454	484,724	40,372,752
At 30 September 2024	9,597,949	10,308,116	15,525,510	41,313	3,527,327	1,508,883	558,727	41,067,825
At 31 March 2024	9,663,153	8,352,938	15,786,487	47,826	3,141,494	1,046,766	455,072	38,493,735

Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Period Ended 31 March 2025

7 Non-current assets - intangibles

Group

	Goodwill £	Development £	Trademarks £	Total £
<b>Cost</b>				
At 1 October 2024	42,157,043	23,389,848	1,035,000	66,581,891
Additions internally generated	-	846,844	-	846,844
Disposals	-	(3,026,047)	-	(3,026,047)
Foreign exchange movements	(1,461)	48	-	(1,413)
At 31 March 2025	<u>42,155,582</u>	<u>21,210,693</u>	<u>1,035,000</u>	<u>64,401,275</u>
<b>Amortisation</b>				
At 1 October 2024	2,286,809	13,631,669	1,035,000	16,953,478
Amortisation charge	-	723,158	-	723,158
Amortisation eliminated on disposals	-	(3,016,714)	-	(3,016,714)
At 31 March 2025	<u>2,286,809</u>	<u>11,338,113</u>	<u>1,035,000</u>	<u>14,659,922</u>
<b>Carrying amount</b>				
At 31 March 2025	<u>39,868,773</u>	<u>9,872,580</u>	<u>-</u>	<u>49,741,353</u>
At 30 September 2024	<u>39,870,234</u>	<u>9,758,179</u>	<u>-</u>	<u>49,628,413</u>
At 31 March 2024	<u>39,052,812</u>	<u>9,394,787</u>	<u>-</u>	<u>48,447,599</u>

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## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### 8 Investments

The principal undertakings within the Group at 30 September 2024 are shown below:

Note	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held
(a) Advanced Innergy Group Ltd (*)	England & Wales	100%
(a) Advanced Innergy Ltd (*)	England & Wales	100%
(a) Advanced Innergy Solutions Ltd	England & Wales	100%
(a) Advanced Innergy Contracting Ltd	England & Wales	100%
(a) Advanced Insulation Systems Ltd	England & Wales	100%
(a) AIS Manuplas Ltd	England & Wales	100%
(a) AIS Covertherm Ltd	England & Wales	100%
(a) C - Ling Limited (*)	England & Wales	75%
(a) CRP Subsea Limited (*)	England & Wales	100%
(a) CRP Holdings Limited	England & Wales	100%
(a) GAP Plastics Limited	England & Wales	100%
(b) Advanced Innergy Solutions Brazil Ltda (*)	Brazil	99.50%
(c) Contraflex Kazakhstan LLP (*)	Kazakhstan	50%
(d) AIS FZE (*)	United Arab Emirates	100%
(e) AIS Korea Limited (*)	South Korea	75%
(f) AIS US Inc	USA	100%
(g) Advanced Innergy Solutions Angola Ltda	Angola	49%
(h) Advanced Innergy Canada Ltd	Canada	100%
(i) AIS Norway AS	Norway	100%
(j) AIS Malaysia SDN BHD	Malaysia	100%
(k) AIS Italy	Italy	100%
(l) AIS Bardot (*)	France	100%
(m) AIS Assets Holding Limited	British Virgin Islands	100%

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## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### 8 Investments (continued)

The registered addresses of the undertaking are noted below:

- (a) Unit E Quedgeley West Business Park, Bristol Road, Gloucester, GL2 4PA
- (b) Rodovia SP 107, km 29 – Borda da Mata, Jaguariúna – SP, Caixa Postal 255, 13919-899, Brasil
- (c) 184/1 Iksanova Street, Aksai, Burlinskiy Region, West Kazakhstan Oblast
- (d) PO Box 18512, Jebel Ali Free Zone, Dubai, UAE
- (e) 255 JangPyeong-Ro, Saha-Gu, Busan, South Korea
- (f) 237 Burgess Drive, Broussard, LA 70518
- (g) Rua Direita do Gamek, N26 Base Kubics, Largo Corimba-Samba, Luanda, Angola
- (h) 121 Germain Street, Saint John, NB, E2L 2E9, Canada
- (i) Postboks 1665 Vika Oslo 0120
- (j) B-11-10, Level 11, Megan Avenue II, Jalan Yap Kwan Seng, 50450, Kuala Lumpur, Malaysia
- (k) Via Ettore De Sonnaz,19, 10121 Torino, Italy
- (l) 375 avenue du Mistral, Bât C, ZI Athélia 4, 13600 La Ciotat, France
- (m) OMC Chambers, Wickhams Cay 1, Road Town Tortola, British Virgin Islands

The nature of operations of all group companies are the same as the group's principal activities.

There are no particular significant restrictions on the ability of subsidiaries to transfer funds to the parent in the form of cash dividends or to repay loans or advances.

There are no differences between the voting rights and the proportion of ownership interest held.

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## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### 8 Investments (continued)

Shareholding in all companies are held by Advanced Innergy Limited, with the exception of the following entities referenced above with (\*):

<b>Name:</b>	<b>Details of indirect ownership</b>
Contraflex Kazakhstan LLP	Held by Advanced Innergy Contracting Ltd
AIS FZE	Held by AIS Assets Holding Limited
AIS Korea Limited	Held by AIS FZE
Advanced Innergy Group Ltd	Held by Advanced Innergy Holdings Ltd
Advanced Innergy Ltd	Held by Advanced Innergy Group Ltd
Advanced Innergy Solutions Brazil Ltda	Held by Advanced Innergy Ltd and Advanced Innergy Solutions Ltd
C-Ling Limited	Held by Advanced Innergy Solutions Ltd
Advanced Innergy EBT Ltd	Held by Advanced Innergy Holdings Ltd
AIS Bardot	Held by Advanced Innergy Solutions Ltd
CRP Subsea Limited	Held by CRP Subsea Holdings Limited

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## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### 9 Current assets - trade and other receivables

	<b>31 March 2025</b>	<b>31 March 2024</b>
	£	£
Trade receivables	33,775,282	20,288,012
Expected credit loss	<u>(980,382)</u>	<u>(223,894)</u>
	32,794,900	20,064,118
Other receivables	1,532,578	2,772,966
Amounts due from joint ventures	210,936	103,440
Prepayments	<u>2,575,247</u>	<u>2,308,816</u>
	<u><u>37,113,661</u></u>	<u><u>25,249,340</u></u>

#### 10 Current assets - contract assets

	<b>31 March 2025</b>	<b>31 March 2024</b>
	£	£
Contract assets	<u>17,649,123</u>	<u>15,538,133</u>
<b><i>Reconciliation</i></b>		
Opening balance	20,136,946	13,624,576
Transfer to trade receivables	(20,136,946)	(13,624,576)
Contract assets recognised	<u>17,649,123</u>	<u>15,538,133</u>
Closing balance	<u><u>17,649,123</u></u>	<u><u>15,538,133</u></u>

#### 11 Current assets – inventories

	<b>31 March 2025</b>	<b>31 March 2024</b>
	£	£
Raw materials	10,053,434	8,812,429
Work in progress	<u>629,948</u>	<u>407,169</u>
	<u><u>10,683,382</u></u>	<u><u>9,219,598</u></u>

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## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### 12 Trade and other payables

	31 March 2025	31 March 2024
	£	£
<b>Current liabilities</b>		
Trade payables	17,038,145	14,522,429
Other taxation and social security	833,380	781,087
Other payables	1,496,496	2,653,988
Accruals	<u>11,682,292</u>	<u>9,593,645</u>
	<u>31,050,313</u>	<u>27,551,149</u>

Trade payables include amounts payable from trade purchase and related costs. Trade payables are non-interest-bearing and normally settled on 30 to 60 day terms. The Group maintains financial risk management policies to guarantee the timely payment of the trade payables.

The fair value of trade payables has not been disclosed as, due to their short duration, management considers the carrying amounts recognised in the balance sheet to be a reasonable approximation of their fair value.

#### 13 Current liabilities - contract liabilities

	31 March 2025	31 March 2024
	£	£
Contract liabilities	<u>13,184,024</u>	<u>9,473,706</u>
<b>Reconciliation</b>		
Opening balance	8,667,077	8,904,835
Revenue recognised	(8,667,077)	(8,904,835)
Transfer from trade receivables	<u>13,184,024</u>	<u>9,473,706</u>
Closing balance	<u>13,184,024</u>	<u>9,473,706</u>

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## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### 14 Borrowings

	<b>1 October 2024 to 31 March 2025</b>	<b>1 October 2023 to 31 March 2024</b>
	£	£
<b>Current</b>		
Bank overdraft and revolving credit facility	6,250,000	4,000,000
Bank loans	4,006,693	1,418,356
Loan notes	-	1,000,000
	<u>10,256,693</u>	<u>6,418,356</u>
<b>Non-current</b>		
Bank loans	34,542,828	5,966,821
Loan notes	-	58,761,775
	<u>34,542,828</u>	<u>64,728,596</u>

#### 15 Lease liabilities

	<b>2025</b>	<b>2024</b>
	£	£
Current liabilities	2,264,153	1,919,420
Non-current liabilities	9,946,794	7,700,072
	<u>12,210,947</u>	<u>9,619,492</u>

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## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### 16 Equity - issued capital

##### Allotted, called up and fully paid shares

	2025		2024	
	No.	£	No.	£
A1 Ordinary shares of £0.001 each	887,209	887.21	-	-
A2 Ordinary shares of £0.001 each	175,955	175.96	-	-
B Ordinary shares of £0.001 each	100	0.10	462,264	462.26
A Ordinary shares of £0.001 each	-	-	396,000	396.00
C Ordinary shares of £0.001 each	-	-	67,006	67.01
D Ordinary shares of £0.001 each	-	-	14,500	14.50
E Ordinary shares of £0.001 each	-	-	85,000	85.00
F Ordinary shares of £0.001 each	-	-	18,500	18.50
G Ordinary shares of £0.001 each	-	-	18,500	18.50
	<u>1,063,264</u>	<u>1,063.26</u>	<u>1,061,770</u>	<u>1,061.77</u>

##### *Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

##### *Preferred ordinary shares*

Preferred ordinary shares entitle shareholders to preferential rights which are superior to those of ordinary shares. The holder to participate in dividends and rank ahead of ordinary shares.

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## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### 17 Equity - reserves

##### *Retained earnings account*

The retained earnings account reflects the cumulative profits and losses, net of distributions to owners.

##### *Foreign exchange reserve*

The foreign exchange reserve is the unrealised cumulative net gains and losses on translation of the net assets and results of subsidiaries undertakings which have a functional currency other than the sterling (£).

##### *Share premium account*

The share premium account reflects the difference between the amount received for share capital and its nominal value.

##### *Capital contribution reserve*

The capital contribution reserve is used to recognise an irrevocable gift made to the company by a shareholder and loan note holder.

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## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### 18 Financial instruments

##### Financial risk management objectives

The management of the Group and the execution of its strategy are subject to a number of risks. The principal risk and uncertainties affecting the Group include the following:

##### *Market risk*

As required under IFRS 7, Management have considered each type of market risk which would include:

- Foreign exchange risk
- Price risk;
- Interest rate risk;
- Capital risk management;
- Credit risk; and
- Liquidity risk.

##### *Foreign exchange risk*

As identified in the directors report it is the Group's policy that foreign currency exposures are where possible hedged using forward exchange contracts. On this basis no sensitivity analysis has been undertaken in respect of this.

##### *Price risk*

As identified in the director's report, the Group is dependent on the oil and gas industry which in turn results in the Group's sales being dependent upon the capital investment in the Oil and Gas Industry. The Group have prepared a number of forecasts which act as sensitivities. These suggest that the Group will continue to return positive EBITDA for the next three years.

##### *Interest rate risk*

The interest rate on the Group's loan notes are fixed or non interest bearing and therefore it is considered that there is no interest rate risk. No sensitivity analysis has been undertaken in respect of this.

The Group's bank loan is subject to interest at 3.375% plus SONIA. SONIA is fixed daily and therefore exposes the Group to a small element of risk. Management have undertaken a sensitivity analysis to understand the risks associated with changes in the interest rate and consider these to be low.

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## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### 18 Financial instruments (continued)

##### *Capital risk management*

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial period.

##### *Liquidity risk*

Further to the analysis provided in Note 14 the Group has £nil (31 March 2024: £59,761,775) of loan notes due for repayment within the next five years. A maturity analysis can be seen below.

##### *Remaining contractual maturities*

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

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Advanced Innergy Holdings Ltd

Notes to the consolidated financial statements for the Period Ended 31 March 2025

18 Financial instruments (continued)

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
2025	%	£	£	£	£	£
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	17,038,145	-	-	-	17,038,145
<i>Interest-bearing -fixed rate</i>						
Facility A	8.2%	4,192,250	4,817,500	9,635,000	-	18,644,750
Facility B	8.25%		-	20,500,000	-	20,500,000
Revolving credit facility	2 to 3%	6,250,000	-	-	-	6,250,000
Lease liability	2.5 to 5%	2,264,153	2,157,271	5,305,577	2,483,946	12,210,947
Total non-derivatives		<u>29,744,548</u>	<u>6,974,771</u>	<u>35,440,577</u>	<u>2,483,946</u>	<u>74,643,842</u>
<b>Derivatives</b>						
Forward foreign exchange contracts net - settled		(100,422)	-	-	-	(100,422)
Total derivatives		<u>(100,422)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,422)</u>

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## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### 18 Financial instruments (continued)

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
<b>2024</b>	%	£	£	£	£	£
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	14,522,429	-	-	-	14,522,429
<i>Interest-bearing -fixed rate</i>						
Loan notes – “A”	6%	-	7,500,000	-	-	7,500,000
Loan notes – “B”	8%	1,000,000	7,880,000	-	-	8,880,000
Loan notes – “C2”	0%	-	43,513,775	-	-	43,513,775
Loan notes – “E”	0%	-	118,000	-	-	118,000
Santander loans	2.5%	82,000	82,000	498,833	-	662,833
Praetura loans	4.5% to 6.5% + base	1,336,356	1,336,356	4,009,069	40,562	6,722,343
Contract finance	2 to 3%	4,000,000	-	-	-	4,000,000
Lease liability	2.5 to 5%	1,919,420	1,596,828	3,556,743	2,546,501	9,619,492
<b>Total non-derivatives</b>		<b>22,860,205</b>	<b>62,026,959</b>	<b>8,064,645</b>	<b>2,587,063</b>	<b>95,538,872</b>
<b>Derivatives</b>						
Forward foreign exchange contracts net settled	-	(47,769)	-	-	-	(47,769)
<b>Total derivatives</b>		<b>(47,769)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(47,769)</b>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

#### *Fair value of financial instruments*

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

## Advanced Innergy Holdings Ltd

### Notes to the consolidated financial statements for the Period Ended 31 March 2025

#### 19 Related party transactions

##### *Transactions with related parties*

The following transactions occurred with related parties:

During the period, the Group received purchase invoices totalling £4,511 (31 March 2024: £3,533) from Caspian Caviar Limited, a company controlled by Mr S Shepherd, a director of Advanced Innergy Holdings Ltd. Amounts were due to Caspian Caviar at the period end £4,511 (31 March 2024: £Nil).

During the period, the Group paid rent and service charges of £158,499 (31 March 2024: £151,640) to SADE Properties, a company under the control of Mr A Bennion, Mr S Shepherd and Mr E Weeks. At the period end £Nil (31 March 2024: £Nil) was outstanding to SADE properties.

During the period, the Group paid monitoring fees of £nil (31 March 2024: £37,500) to Growth Capital Partners LLP who are appointed managers to GCP III GP LP, the general partner to Growth Capital Partners Fund III LP and GCP Fund III A LP who were investors in Advanced Insulation Holdings Limited in the prior period. At the period end, £nil (31 March 2024: £15,000) was outstanding to Growth Capital Partners LLP.

During the prior period interest was incurred on loan notes held by Growth Capital Partners nominees Limited, a related party by virtue of a common director, as follows:

	2025	2024
	£	£
"A" secured loan notes	-	450,000
"B1" secured loan notes	-	584,258
"B2" secured loan notes	-	133,900

#### 20 Capital and other commitments

The value of capital commitments is £579,017 (31 March 2024: £63,218) and relates to orders on capital expenditure jobs which have been committed to but not yet delivered or invoiced.

The Group has given performance bonds at the period end of £12,109,759 (31 March 2024: £9,845,085).

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