5 December 2014

Inspirit Energy Holdings plc
("INSP" or the "Company")

Audited results for the year ended 30 June 2014 and Notice of AGM

INSP today announces its audited results for the year ended 30 June 2014.

Copies of the Company's Annual Report and Accounts will be sent to shareholders and will be available on the Company's website www.inspirit-energy.com today. Further copies may be obtained directly from the Company's Registered Office at Inspirit Energy Holdings plc, 2nd Floor, 2 London Wall Buildings, London EC2M 5PP

As previously announced, the notice of Annual General Meeting ("AGM") has been posted to shareholders. The AGM will be held at the offices of the Company, 2 London Wall buildings, London EC2M 5PPP on 23 December 2014 at 11 am.

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The financial information set out below does not constitute the Company's statutory accounts for the periods ending 30 June 2014 or 30 June 2013. The financial information for 2014 and 2013 is derived from the statutory accounts for those years. The statutory accounts for 2013 have been delivered to the Registrar of Companies. The statutory accounts for 2014 will be delivered to the Registrar of Companies following the Company's annual general meeting. The auditors, PKF Littlejohn LLP, have reported on the 2014 and 2013 accounts. The reports were unqualified and did not contain any statements required under either s498 (2) or s498 (3) of the Companies Act 2006. This preliminary announcement has been prepared on the basis of the accounting policies as stated in the financial statements for the period ended 30 June 2014. The information included in this preliminary announcement is based on the Company's financial statements, which are prepared in accordance with International Financial Reporting Standards (IFRS).

INSPIRIT ENERGY HOLDINGS PLC

CHAIRMANS STATEMENT

for the year ended 30 June 2014

INTRODUCTION

Since Inspirit Energy Holdings Plc's interim results, important steps in the commercialisation of the Company micro combined heat and power (mCHP) boiler have been achieved and the Group shows great progress in delivering its business plan.

COMMERCIALISTION AND PROGRESS

The Group has entered the stage of finalising commercial design and committing to tooling with a number of its engineering partners and suppliers. The significant investment made demonstrates the Group's progress towards achieving full certification approval and commercialisation of the Group's highly efficient mCHP (micro Combined Heat and Power) micro co-generation boilers.

A demonstration facility in Sheffield has been installed to establish the suitability of the mCHP boiler for customers and allow technical staff to provide familiarisation training to installers.

A significant testing and field trial agreement entered into with Utilitywise Plc will allow the Group to test the appliance in a range of demand cycles including full and partial utilisation and in several high-profile installation sites in the UK.

The mCHP appliance has been designed with the help of the company's engineering and manufacturing partners:

- Adigo – advising on the remodelling of the original heater head and regenerator components of the Stirling Engine design for the final appliance;
- GE Precision – developing and manufacturing the internals of the Stirling Engine with FEA analysis of the Crankcase, Piston and Rhombic Drive Assembly that converts heat energy into the motion required to generate the electrical output;
- Sentec – design of the control system including the user interface, diagnostics and management of the supply back into the Grid;
- Enertek – design of the gas combustion system, heat recovery system; and
- Malvern – build trial units and will help to bring the product to market when fully commercialised.

On 26 June 2014, the Company raised £1,000,000 to fund the commercialisation phase of the Inspirit mCHP boiler.

On 11 September 2014, Dr John Bannister joined the management team as a full time consultant to the Company and special advisor to the Board.

The Board would like to take this opportunity for thanking all of the Company's staff and consultants for their hard work during the year and our shareholders for their support.

The progress over the last year has been very positive and I hope we continue to make great progress in achieving our goal of technological commercialisation.

D Lenigas
Non-executive Chairman

5 December 2014

INSPIRIT ENERGY HOLDINGS PLC

STRATEGIC REPORT

for the year ended 30 June 2014

The Directors present their Strategic Report on Inspirit Energy Holdings plc ("the Group") for the year ended 30 June 2014.

The Strategic Report is a new statutory requirement under section 414A of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and is intended to provide fair, balanced and understandable information that enables the Directors to be satisfied that they have complied with section 172 of the Companies Act 2006, which sets out the Directors' duty to promote the success of the Group and Company.

REVIEW OF THE BUSINESS

Inspirit Energy Holdings Plc, acquired Inspirit Energy Limited and began trading on the London Stock Exchange, AIM markets on 26 July 2013. The Company is now exclusively focused on commercialising the Group's unique and highly efficient micro co-generation boiler.

The Company's objective is to generate returns to shareholders via investment in renewable energy through development of environmental or renewable energy products and services.

Inspirit Energy Limited is currently pursuing the development and commercialisation of a world-leading micro Combined Heat and Power (mCHP) boiler for use in commercial and residential markets. The mCHP boier is powered by natural gas and designed to produce hot water (for Domestic Hot Water or Central Heating) and a simultaneous electrical output that can be used locally or fed back into the National Grid.

Inspirit Energy's new washing machine-sized mCHP micro co-generation boiler is one of the industry's most powerful and energy efficient mCHP appliances for its size with simultaneous generation of up to 15 kilowatts of thermal output and up to 3 kilowatts of electrical output. The mCHP boiler has been designed to be low maintenance and can be installed by a certified gas-safe tradesman. The appliance's patented engine will take the waste heat from the boiler and convert it efficiently into electricity; first supplying the property where it is installed and feeding surplus electricity into the National grid.

The developments made in the mCHP micro co-generation boiler shows the great progress that the Company has made during the year and the platform for success in the future.

Inspirit intends to explore opportunities to market and /or licence the underlying technology.

DEVELOPMENTS DURING THE YEAR

On 13 September 2013, the Company entered into a £472,000 placing and an Equity Swap Agreement with YA Global Master SPV, Ltd. at 2.8 pence per share.

On 26 September 2013, the Company announced that UK HM Revenue & Customs had accepted the Company's application to join both the Enterprise Investment Scheme ("EIS") and the Venture Capital Trust ("VCT") Scheme, which are designed to offer a range of tax reliefs for investors.

On 14 October 2013, the Company announced an agreement with Sentec Ltd, for the final stage development of its mCHP controls package. This will provide the appliance control and an energy management system that will feed back into the National Grid.

On 9 January 2014, the Company announced a contract with Enertek International Ltd to assist with the final mass manufacturing specifications and designs for the mCHP boiler's key heating components. Enertek will assist the Company in obtaining the necessary certifications required to sell this unique appliance initially in the UK and European market places.

On 27 January 2014, the Company signed a manufacturing agreement with Malvern Boilers Ltd, to produce the initial volumes of its mCHP boilers.

On 24 February 2014, the Company signed an agreement with Caring Homes Group, to install the mCHP boiler into one of their care homes for the purpose of key customer testing and verification to demonstrate economic viability of the appliance.

On 26 June 2014, the Company raised £1,000,000 through the issue of 71,428,571 new ordinary shares of 0.1p each at a price of 1.4p per placing share to fund the next important commercialisation phase of mCHP boiler.

BOARD CHANGES

On 26 July 2013, Neil Luke was appointed as an Executive Director and Chief Operating Officer of the Company.

On 11 September 2013, David Lenigas was appointed as Non-Executive Chairman of the Company.

RESULTS AND DIVIDENDS

The Group made a loss after taxation of £1,293,000 (2013: loss of £78,000). The loss included an exceptional write-down of £663,000 goodwill on consolidation relating to Inspirit Energy Holdings Plc. The Directors do not propose a dividend for the year to 30 June 2014 (2013: £nil).

KEY PERFORMANCE INDICATORS

The key performance indicators are set out below:

PLC STATISTICS	30 June 2014	30 June 2013	Change %
Net asset value	£2,098,000	£59,000	+3456%
Net asset value – fully diluted per share	0.32p	0.08p	+300%
Closing share price	0.0112p	0.0125p	-50%
Market capitalisation	£7,342,276	£914,244	+703%

KEY RISKS AND UNCERTAINTIES

Early stage product development carries a high level of risk and uncertainty, although the rewards can be outstanding. At this stage there is a common risk associated with all pioneering technological advanced companies in their requirement to continually invest in research and development. The Group has already made significant investments in addressing opportunities in the renewable energy sector.

The Group has raised funds during the period as discussed in the 'Developments during the year' above. The Directors feel that while this is sufficient for operating forecasts, further funding requirements are necessary to commercialise the micro co-generation boiler.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The principal financial risk faced by the Company is liquidity risk. The Company's financial instruments included borrowings and cash which it used to finance its operations. At the year end, borrowings did not include borrowings supplied from the bank..

The Company has no significant concentrations of credit risk.

ASSESSMENT OF BUSINESS RISK

The Board regularly reviews operating and strategic risks. The Group's operating procedures include a system for reporting financial and non-financial information to the Board including:

- reports from management with a review of the business at each Board meeting, focusing on any new decisions/risks arising;
- reports on the performance of investments;
- reports on selection criteria of new investments;
- discussion with senior personnel; and
- consideration of reports prepared by third parties.

Details of other financial risks and their management are given in the notes to the financial statements.

GOING CONCERN

The Group meets its day-to-day working capital requirements through its ability to raise funds when required. The current economic conditions continue to create uncertainty, particularly over (a) the level of demand for the Group's products; and (b) the availability of funding available for the foreseeable future. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of resources available to it.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated Financial Statements.

FUTURE DEVELOPMENTS

The Company intends to explore opportunities to manufacture or license out the underlying technology and the Directors believe that in some instances, the patents owned by Inspirit may be also used in the development of products other than a mCHP appliance. A prototype of the appliance has been independently tested and shown to be capable of simultaneous generation of up to 15kW thermal and up to 3kW electrical output. Once development of the appliance has been completed and commercialised, the Directors expect that the appliance will initially be marketed in the UK and Europe and eventually worldwide. Additional revenue streams may be possible through product licensing, sales of warranties and further development of the product.

On 1 July 2014, the Company concluded a more detailed manufacturing partnership agreement with Malvern Boilers Ltd. The agreement will see the company and Malvern working closer together to achieve the joint goals of producing the initial trial boilers for evaluation sites and placing Malvern in the controlling role of managing the production introduction and supply chain.

On 18 September 2014, the Company agreed to issue 3,398,056 new ordinary shares of 0.1p each in the Company as settlement for professional fees.

On 18 September 2014 the Company announced that Calor Gas Limited agreed to the installation of a mCHP boiler at one of its customer sites.

On 27 October 2014 the Company announced it had reached the stage of finalising its commercial design and committing to tooling with a number of its engineering partners and suppliers.

ON BEHALF OF THE BOARD

J Gunn
Director

5 December 2014

INSPIRIT ENERGY HOLDINGS PLC
REPORT OF THE DIRECTORS
for the year ended 30 June 2014

The Directors present their annual report on the affairs of the Group, together with the audited financial statements for the year ended 30 June 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of development and commercialisation of the mCHP boiler.

Details of the Group's principal activities can be found in the Strategic Report.

DIRECTORS

The Directors who held office in the period up to the date of approval of the Financial Statements and their beneficial interests in the Group's issued share capital at the beginning and end of the accounting year were:

	Number of ordinary shares		Number of share options and warrants	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
D Lenigas[1]	6,000,000	-	-	-
J Gunn	369,743,438	9,240,160	-	375,000
J Nazhat	-	-	-	-
N Jagatia	-	-	-	-
N Luke[2]	-	-	-	-

[1]Appointed 11 September 2013
[2]Appointed 26 July 2013

INDEMNITY OF OFFICERS

The Company maintains appropriate insurance cover against legal action brought against its Directors and officers.

SUBSTANTIAL INTERESTS

The Company is aware that at 5 November 2014, the following shareholdings in excess of 3% of the issued share capital of the Company:

	Number of ordinary shares	Percentage of issued share capital
John Gunn	369,743,438	56.1%
Rothschild Nominees Limited	29,950,817	4.5%
Jim Nominees Limited	23,164,842	3.5%

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

The Company's policy is to agree terms of payment with suppliers. These normally provide for settlement within 30 days of the date of the invoice, except where other arrangements have been negotiated. It is the policy of the Company to abide by the agreed terms of payment, provided the supplier performs according to the terms of the contract.

CORPORATE GOVERNANCE

The Board has not adopted the UK Corporate Governance Code; this is only a requirement for premium listed companies and the Board does not consider it appropriate for a company of the size and nature of Inspirit Energy Holdings plc. The Board has, however, adopted the requirements of the Corporate Governance Guidelines for Smaller Companies published by the Quoted Companies Alliance, although, until an independent non-executive director is appointed, Neil Luke will chair each of the committees.

BOARD OF DIRECTORS

The Board is responsible for strategy and performance, approval of major capital projects and the framework of internal controls. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring the Board procedures, are followed and that applicable rules and regulations are complied with.

AUDIT COMMITTEE

The Audit Committee is currently chaired by Neil Luke and includes Jubeenh Nazhat and Nilesh Jagatia. The committee provides a forum for reporting by the Group‟s external auditors. The committee is also responsible for reviewing a wide range of matters, including half-year and annual results before their submission to the Board, and for monitoring the controls that are in force to ensure the integrity of information reported to shareholders. The Audit Committee will advise the Board on the appointment of external auditors and on their remuneration for both audit and non-audit work, and will discuss the nature, scope and results of the audit with the external auditors. The committee will keep under review the cost effectiveness and the independence and objectivity of the external auditors.

The Audit Committee is responsible for ensuring the "right tone at the top" and that the ethical and compliance commitments of management and employees are understood throughout the Group.

REMUNERATION COMMITTEE

The Remuneration Committee is chaired by Neil Luke and includes Jubeenh Nazhat and Nilesh Jagatia. The committee is responsible for making recommendations to the Board, within agreed terms of reference, on the Group's framework of executive remuneration and its cost. The Remuneration Committee determines the contract terms, remuneration and other benefits for the executive directors, including performance related bonus schemes and compensation payments. The Board itself determines the remuneration of the non-executive directors.

COMMUNICATIONS WITH SHAREHOLDERS

Communications with shareholders are given a high priority. In addition to the publication of an annual report and an interim report, there is regular dialogue with shareholders and analysts. The Annual General Meeting is viewed as a forum for communicating with shareholders, particularly private investors. Shareholders may question the Executive Chairman and other members of the Board at the Annual General Meeting.

INTERNAL CONTROL

The Directors acknowledge they are responsible for the Group's system of internal control and for reviewing the effectiveness of these systems. The risk management process and systems of internal control are designed to manage rather than eliminate the risk of the Group failing to achieve its strategic objectives. It should be recognised that such systems can only provide reasonable and not absolute assurance against material misstatement or loss. The Group has well established procedures which are considered adequate given the size of the business.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The Company is compliant with AIM Rule 26 regarding the Company's website.

DISCLOSURE OF INFORMATION TO AUDITOR

In the case of each person who was a Director at the time this report was approved:

- so far as that director is aware there is no relevant audit information of which the Company's auditor is unaware: and
- that director has taken all steps that the director ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

INDEPENDENT AUDITOR

The auditor, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

ON BEHALF OF THE BOARD

N Jagatia
Director
5 December 2014

INSPIRIT ENERGY HOLDINGS PLC
GROUP STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2014

	2014 £'000	2013 £'000
CONTINUING OPERATIONS:		
Revenue	-	-
Administrative expenses	(506)	(42)
Impairment of goodwill	(663)	-
Other losses - net	(197)	-
OPERATING LOSS	(1,366)	(42)
Finance costs	(11)	(53)
LOSS BEFORE INCOME TAX	(1,377)	(95)
Income tax credit	84	17
LOSS FOR THE YEAR (ATTRIBUTABLE TO OWNERS OF THE PARENT)	(1,293)	(78)
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (ATTRIBUTABLE TO OWNERS OF THE PARENT)	(1,293)	(78)
EARNINGS PER SHARE		
- Basic and fully diluted earnings per share (attributable to owners of the parent)	(0.24p)	(0.02p)

INSPIRIT ENERGY HOLDINGS PLC

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2014

	Attributable to the owners of the parent						
	Share capital £'000	Share premium £'000	Other reserves £'000	Merger reserve £'000	Reverse acquisition reserve £'000	Retained losses £'000	Total Equity £'000
BALANCE AT 1 July 2012	15	737	23	-	-	(451)	324
Loss for the year	-	-	-	-	-	(78)	(78)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	-	-	(78)	(78)

TRANSACTIONS WITH OWNERS	-	-	-	-	-	-	-
BALANCE AT 30 June 2013	15	737	23	-	-	(529)	246
BALANCE AT 1 July 2013	15	737	23	-	-	(529)	246
Loss for the year	-	-	-	-	-	(1,293)	(1,293)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	-	-	(1,293)	(1,293)
Shares issued	154	2,153	-	-	-	-	2,307
Share issue costs	-	(53)	-	-	-	-	(53)
Share based payments	60	735	-	-	-	-	795
Share warrants exercised	7	59	-	-	-	-	66
Cancellation of share warrants	-	-	(23)	-	-	23	-
Conversion of convertible loan	10	40	-	-	-	-	50
Reverse acquisition	806	3,275	110	3,150	(7,361)	-	(20)
TRANSACTIONS WITH OWNERS	1,037	6,209	87	3,150	(7,361)	23	3,145
BALANCE AT 30 June 2014	1,052	6,946	110	3,150	(7,361)	(1,799)	2,098

INSPIRIT ENERGY HOLDINGS PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2014

	Attributable to equity shareholders				
	Share capital £'000	Share premium £'000	Other reserves £'000	Retained losses £'000	Total equity £'000
BALANCE AT 1 July 2012	460	3,888	105	(4,076)	377
Loss for the year	-	-	-	(448)	(448)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	(448)	(448)
Shares issued	8	92	-	-	100
Share based payment	1	18	19	-	38
Conversion of convertible loan	2	14	(14)	-	2
TRANSACTIONS WITH OWNERS	11	124	5	-	140
BALANCE AT 30 June 2013 (as previously reported)	471	4,012	110	(4,524)	69
Prior period adjustment	-	-	-	(10)	(10)
BALANCE AT 30 June 2013 (restated)	471	4,012	110	(4,534)	59
BALANCE AT 1 July 2013	471	4,012	110	(4,534)	59
Loss for the year	-	-	-	(646)	(646)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	(646)	(646)
Reverse acquisition	350	3,150	-	-	3,500
Shares issued	154	2,153	-	-	2,307
Share issue costs	-	(53)	-	-	(53)

Share based payments	60	735	-	-	795
Share warrants exercised	7	59	-	-	66
Conversion of convertible loan	10	40	-	-	50
TRANSACTIONS WITH OWNERS	581	6,084	-	-	6,665
BALANCE AT 30 June 2014	1,052	10,096	110	(5,180)	6,078

INSPIRIT ENERGY HOLDINGS PLC

STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

Company Number: 05075088	GROUP		COMPANY	
				Restated
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
NON-CURRENT ASSETS				
Intangible assets	1,060	769	-	-
Property, plant and equipment	12	6	-	-
Investments	-	-	-	740
Investment in subsidiaries	-	-	4,643	-
Trade and other receivables	-	-	-	115
	1,072	775	4,643	855
CURRENT ASSETS				
Inventories	5	5	-	-
Trade and other receivables	1,204	31	1,539	35
Derivative financial instruments	-	-	-	-
Cash and cash equivalents	67	1	59	-
	1,276	37	1,598	35
TOTAL ASSETS	2,348	812	6,241	890
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT				
Share capital	1,052	15	1,052	471
Share premium	6,946	737	10,096	4,012
Other reserves	110	23	110	110
Merger reserve	3,150	-	-	-
Reverse acquisition reserve	(7,361)	-	-	-
Retained losses	(1,799)	(529)	(5,180)	(4,534)
TOTAL EQUITY	2,098	246	6,078	59
NON-CURRENT LIABILITIES				
Trade and other payables	-	-	-	411
Borrowings	-	-	-	52
	-	-	-	463
CURRENT LIABILITIES				
Trade and other payables	250	566	163	368
	250	566	163	831
TOTAL LIABILITIES	250	566	163	831

TOTAL EQUITY AND LIABILITIES	2,348	812	6,241	890

INSPIRIT ENERGY HOLDINGS PLC

STATEMENT OF CASH FLOWS

For the year ended 30 June 2014

	GROUP		COMPANY	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax	(1,377)	(95)	(646)	(448)
Depreciation	1	1	-	-
Finance income	-	-	-	(4)
Finance expense	11	53	6	31
Share based payment expense	795	-	795	-
Share warrants exercised	66	-	66	-
Impairment of goodwill	663	-	-	-
Decrease/(increase) in trade and other receivables	80	(58)	(364)	(107)
(Increase)/decrease in trade and other payables	(652)	124	(260)	428
CASH (USED BY)/GENERATED FROM OPERATING ACTIVITIES	(413)	25	(403)	(100)
Interest paid	(11)	(48)	(6)	-
Income tax credit received	17	100	-	-
NET CASH (USED BY)/GENERATED FROM OPERATING ACTIVITIES	(407)	77	(409)	(100)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments to acquire intangible assets	(291)	(126)	-	-
Payments to acquire property, plant and equipment	(7)	-	-	-
NET CASH FROM INVESTING ACTIVITIES	(298)	(126)	-	-
CASH FLOWS FROM FINANCING ACTIVTIES				
Net proceeds from issue of share capital	771	-	871	100
Loan to group undertaking	-	-	(403)	-
Interest received	-	-	-	-
NET CASH FROM FINANCING ACTIVITIES	771	-	468	100
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	66	(49)	59	-
Cash and cash equivalents at the beginning of the year	1	50	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	67	1	59	-

INSPIRIT ENERGY HOLDINGS PLC

GENERAL INFORMATION

The principal activity of Inspirit Energy Holdings Plc during the period was that of developing and commercialising the mCHP boiler.

On 25 July 2013 the Company completed the acquisition of Inspirit Energy Limited, and now owns all of that company's issued share capital. These financial statements show the consolidated results of the Group for the year ended 30 June 2014; the comparative results (30 June 2013) are presented for the Company only.

Inspirit Energy Holdings Plc is a company incorporated and domiciled in England and Wales and quoted on the Alternative Investment Market of the London Stock Exchange. The address of its registered office is 2nd Floor, 2 London Wall Buildings, London, EC2M 5PP, United Kingdom. On 25 July 2013 the Company changed its name from KleenAir Systems International Plc to Inspirit Energy Holdings Plc.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

BASIS OF PREPARATION

The consolidated Financial Statements of Inspirit Energy Holdings Plc have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) as adopted by the European Union and the parts of Companies Act 2006 applicable to companies reporting under IFRS.

The consolidated Financial Statements have been prepared under the historical cost convention, as modified by financial assets (including derivative instruments) at fair value through the profit or loss.

The preparation of Financial Statements in conformity with IFRS 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 consolidated Financial Statements.

GOING CONCERN

The Group's activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report on pages 4 to 6. It also includes the Group's objectives, policies and processes for managing its business risk objectives, which includes its exposure to technology, customer and other operational risks.

The Directors have prepared cash flow forecasts for the Group and Company which reflect the Group's and Company's forecast cash inflows and costs.

On 26 June 2014 the Company raised £1m in equity. The cash flow forecasts for the Group and Company show that further equity and/or borrowings will be required to complete the development and testing of the Group's mCHP boiler and bring it into production. Although the Directors are confident that further equity can be raised at a valuation acceptable to the Company there is no guarantee this will be the case. In the event that further equity cannot be raised or insufficient equity is raised the Company has the benefit of a standby loan agreement with John Gunn and David Lenigas who have undertaken to provide loans of up to £600,000 over the next 12 months, as the Company may reasonably require. Any such loans will be made on terms no less favourable than generally available commercial loans.

It is envisaged by the Directors that existing cash resources together with these forecast cash inflows will provide adequate funds for Inspirit Energy Holdings Plc and its subsidiary undertakings for the foreseeable future. The Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

PRIOR PERIOD ADJUSTMENT

The Company omitted a transaction in the year ended 30 June 2013 that has resulted in a prior period restatement in the opening profit and loss account for 30 June 2014. The effect of the prior period error is that an adjustment to the Statement of Financial Position. As a result, a decrease to retained losses brought forward and an increase to liabilities.

The impact of the prior period error has been retrospectively applied in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Consultancy expenses that were paid for by Inspirit Limited for and on behalf of the Company were not recognised as an additional liability as at 30 June 2013. As a result of the prior period error, the following adjustments were made to the financial statements:

	2013
As of 1 July 2013	£
Net increase in retained losses brought forward	(10,000)
Net increase in liabilities	10,000

BASIS OF CONSOLIDATION

Inspirit Energy Holdings Plc, the legal parent, is domiciled and incorporated in the United Kingdom.

The Group Financial Statements consolidate the Financial Statements of Inspirit Energy Holdings Plc and Inspirit Energy Limited made up to 30 June 2014.

Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the company controls another entity.

The Company acquired Inspirit Energy Limited on 25 July 2013 through a share exchange. As the shareholders of Inspirit Energy Limited have control of the legal parent, Inspirit Energy Holdings Plc, the transaction has been accounted for as a reverse acquisition in accordance with IFRS 3 "Business Combinations". Consequently, although the Financial Statements are prepared in the name of the legal parent, they are in substance a continuation of those of the legal subsidiary. The following accounting treatment has been applied in respect of the reverse acquisition:

- the assets and liabilities of the legal subsidiaries within Inspirit Energy Limited are recognised and measured in the consolidated financial statements at their pre-combination carrying amounts, without restatement to fair value;

- the equity structure appearing in the consolidated financial statements reflects the equity structure of the legal parent, Inspirit Energy Holdings Plc, including the equity instruments issued to effect the business combination;

- comparative numbers presented in the consolidated financial statements are those reported in the financial statements of the legal subsidiaries consolidated within Inspirit Energy Limited.

The cost of acquisition is measured as the fair value of the assets acquired, equity instruments issued and liabilities incurred or assumed at the date of exchange. Acquisition related costs are expensed as incurred. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

INCOME TAX CREDIT

GROUP	2014	2013
	£'000	£'000
Current tax credit on loss for the year	(84)	(17)
	(84)	(17)

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the weighted average rate applicable to losses of the consolidated entities as follows:

	2014	2013
	£'000	£'000
Loss before tax from continuing operations	(1,377)	(95)
Loss before tax multiplied by rate of corporation tax in the UK of 20% (2013: 20%)	(275)	(19)
Tax effects of:		
Expenses not deductible for tax purposes	207	1
Unrelieved tax losses carried forward	68	18
Research and development tax credit	(84)	(17)
Total tax	(84)	(17)

The Group has excess management expenses of approximately £3,037,000 (2013: £1,379,000), capital losses of £150,000 (2013: £150,000) and non-trade financial losses of approximately £119,000 (2013: £119,000) to carry forward against future suitable taxable profits. No deferred tax asset has been provided on any of these losses due to uncertainty over the timing of their recovery.

EARNINGS PER SHARE

Loss per ordinary share has been calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of shares in issue during the year. The calculations by both basic and diluted loss per share for the year are based upon the loss for the year of £1,293,000 (2013: £78,000). The weighted number of equity shares in issue during the year was 546,838,937 (2013: 350,000,000).

In accordance with IAS 33, basic and diluted earnings per share are identical as the effect of the exercise of share options and warrants would be to decrease the loss per share and therefore deemed anti-dilutive. Details of share options and warrants that could potentially dilute earnings per share in future periods are set out in the Notes.

INTANGIBLE ASSETS

GROUP

	Goodwill	Development Costs	Total
COST	£'000	£'000	£'000
At 1 July 2012	-	644	644
Additions	-	125	125
At 30 June 2013	-	769	769
Additions	-	291	291
Reverse acquisition	663	-	663

At 30 June 2014	663	1,060	1,723

ACCUMULATED AMORTISATION AND IMPAIRMENT			
At 1 July 2012 and 30 June 2013	-	-	-
Impairment charge	663	-	663
At 30 June 2014	663	-	663

NET BOOK VALUE			
At 30 June 2013	-	769	769
At 30 June 2014	-	1,060	1,060

The Goodwill relating to the Parent Company is attributable to the benefits derived from the listing of the Parent Company and reflects the cost of the reverse acquisition and admission to AIM. The Directors have reviewed the carrying value of Goodwill at 30 June 2014 and consider that a complete impairment provision is required in the year.

No amortisation has been recognised on development costs to date as the assets are still in the development stage and the related products are not yet ready for sale.

The recoverable amount of the above cash-generating unit has been determined based on value-in-use calculations. No goodwill is allocated to the Group's cash generating unit as this related to the Parent Company as explained above. The value-in-use calculations use cash flow projections based on financial budgets approved by Management covering a seven year period. These incorporate potential revenues which are based on project tenders and projected revenue. Given the nature of the work and the visibility of revenue in the future, it is considered appropriate not to extend the cash flow workings beyond this period.

The recoverable amount based on value-in-use exceeded the carrying value above. The impairment review did not identify any impairment for recognition in the current or prior year.

INVESTMENTS

COMPANY	2014	2013
	£'000	£'000
At 1 July	740	740
Transfer to Investment in Subsidiary	(740)	-
	-	740

INVESTMENTS IN SUBSIDIARIES

COMPANY	2014	2013
SHARES IN GROUP UNDERTAKINGS:	£'000	£'000
At 1 July 2013	-	-
Transfer from investments	740	-
Reverse acquisition	3,500	-
	4,240	-
Loans due from group undertakings	403	-
	4,643	-

Investments in Group undertakings are recorded at cost, which is the fair value of the consideration paid.

Details of Subsidiary Undertakings are as follows:

Name of subsidiary	Country of incorporation	Parent company	Registered capital	Proportion of share capital held	Nature of business
Inspirit Energy Limited	England and Wales	Inspirit Energy Holdings Plc	Ordinary shares £15,230	100%	Product development
Somemore Limited	England and Wales	Inspirit Energy Limited	Ordinary shares £1	100%	Dormant

DERIVATIVE FINANCIAL INSTRUMENTS

		GROUP		COMPANY
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Equity swaps	-	-	-	-

Included within derivative financial instruments are amounts receivable pursuant to an equity swap agreement to be settled across 12 monthly instalments based on a formal agreement related to the difference between the prevailing market price of the Company's ordinary shares in any month and a benchmark share price of 3.08 pence. Hence the net funds to be received by the Company are dependent on the future performance price of the Company's ordinary shares.

The Directors' concluded that the fair value of the derivative financial instruments at 30 June 2014 is £nil (2012: £nil).

SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares	Number of 'B' ordinary shares	Number of deferred shares	Ordinary shares	'B' Ordinary shares	Deferred shares	Share premium	T
				£	£	£	£	
At 1 July 2012	62,603,1	1,221,200	400,932	62,603	1,221	393,923	3,887,	4,348,
Issue of new shares	8,333,333	-	-	8,333	-	-	91	100,
Share based payment	612,982	–	-	613	-	-	17,776	18,
Conversion of convertible notes	1,590,000	-	-	1,590	-	-	14,310	15,
At 30 June 2013	73,139,505	1,221,200	400,932	73,139	1,221	396,923	4,011,515	4,482,
Issue of new shares on acquisition	350,000,000	-	-	350,000	-	-	3,150,000	3,500,
Issue of new shares	154,110,886	-	-	154,111	-	-	2,152,889	2,307,
Share based payments	60,088,753	-		60,089	-	-	735,061	795,
Share warrants exercised	7,000,000	-	-	7,000	-	-	58,800	65,
Conversion of convertible loans	10,000,000	-	-	10,000	-	-	40,000	50,
Share conversion	1,221,200	(1,221,200)	-	1,221	(1,221)	-	-	

from "B" to "A" shares								
Share issue costs	-	-	-	-	-	-	(52,500)	(52,5
At 30 June 2014	655,560,344	-	400,932	655,560	-	396,923	10,095,765	11,148,:

The "B" ordinary shares and deferred shares have no voting rights.

On 28 June 2013, the Company announced the proposed acquisition of the remaining share capital of Inspirit Energy Limited for an aggregate deemed consideration of £3.5 million, to be satisfied by the issue of 350,000,000 new ordinary shares in the Company. The acquisition constituted a reverse takeover under the AIM Rules.

At the same time as the acquisition of the remaining share capital of Inspirit Energy Limited, the Company raised £410,000 (gross) through a subscription for 41.0 million new ordinary shares at a price of 1 pence per share. As part of the subscription, the subscribers were issued with one warrant for every two subscription shares, comprising a total of 20.5 million warrants. The warrants are exercisable into ordinary shares at a price of 1 pence per ordinary share at any time within 12 months from the date of re-admission to AIM. In addition, the whole of the £50,000 convertible loan provided by Hebolux S.A. converted into 10,000,000 new ordinary shares at the date of re-admission.

On 9 August 2013, the Company issued 1,250,000 new ordinary shares to Ascend Capital Plc for the provision of corporate finance services.

On 29 August 2013, the Company raised £175,000 (gross) through the issue of 13,461,537 of new ordinary shares at a price of 1.3 pence per share.

On 4 September 2013, the Company converted existing debt held by Global Investment Strategy (UK) Ltd and John Gunn. The total debt and accrued interest of £706,680.25 was satisfied by the allotment of 54,360,019 ordinary shares of 0.1p each in at a conversion price of 1.3p each.

On 13 September 2013, the Company entered into a £472,000 Placing and an Equity Swap Agreement with YA Global Master SPV, Ltd. ("YAGM") at 2.8 pence per share. YAGM subscribed for a total of 16,857,142 new ordinary shares at a price of 2.8 pence per share for a gross consideration of £472,000. Of this amount, £236,000 will be paid back to YAGM under the Equity Swap Agreement from which the Company is expected to receive a base amount of £19,666.67 per month for a 12 month period, depending on the future price performance of the Company's shares.

On 17 September 2013, the Company issued 1,978,733 new ordinary shares in settlement of professional fees.

On 6 November 2013, the Company has received a conversion notice from a warrant holder to exercise warrants over 1,000,000 ordinary shares at an exercise price of 1 pence per share.

On 25 February 2014, The Company raised £250,000 through the issue of 11,363,636 new ordinary shares of 0.10p each in the Company at a price of 2.2p per share via direct subscriptions.

On 22 May 2014, the Company has received a conversion notice from a warrant holder to exercise warrants over 6,000,000 ordinary shares at an exercise price of 1 pence per share.

On 26 June 2014, the Company has raised £1,000,000 through the issue of 71,428,571 new ordinary shares of 0.1p each in the Company at a price of 1.4p per placing share via direct subscriptions.

SHARE BASED PAYMENTS

Share options and warrants are granted to selected Directors and third party service providers.

Share options and warrants outstanding at the end of the year have the following expiry dates and exercisable prices:

	Weighted Average Exercise Price 2014	Options and warrants	Weighted Average Exercise Price 2013	Options and warrants
At 1 July	0.2984	3,412,620	0.3611	2,766,000
Granted	0.0100	20,500,000	0.0300	646,620
Exercised	0.0100	(7,000,000)	-	-
Terminated	0.2114	(1,266,000)	-	-
At 30 June	0.0566	15,646,620	0.2984	3,412,620

Grant date	Expiry date	Exercise price in £ per share	Number of options and warrants 2014	Number of options and warrants 2013
18 April 2011	17 April 2021	0.3500	-	750,000
18 April 2011	17 April 2021	0.0100	-	516,000
26 April 2011	25 April 2021	0.4875	1,500,000	1,500,000
13 Sept 2012	12 Sept 2015	0.0300	646,620	646,620
26 July 2013	25 July 2014	0.0100	13,500,000	-
		0.0566	15,646,620	3,412,620

The share options and warrants originally granted in 2011 within Inspirit Energy Limited have now been terminated.
The total weighted average contractual life of the outstanding options and warrants at 30 June 2014 was 0.72 years (2013: 6.53 years).
The fair value of the share options and warrants were determined using the Black Scholes valuation model. The parameters used are detailed below:

Option granted on:	26 April 2011	13 September	26 July 2013
Shares and warrants under	1,500,000	646,620	20,500,000
Option life (years)	10	3	1
Share price (pence per share) at	4.50	3.00	1.15
Risk free rate	3.71%	3.71%	2.50%
Expected volatility	10%	10%	0%
Expected dividend yield	Nil	Nil	Nil
Marketability discount	5%	5%	0%
Fair value per option granted	1.254	0.330	0.270
Exercise price	4.875	3.000	1.000

For the 2011 and 2012 options and warrants, the expected volatility is based on historical volatility for the 6 months prior to the grant date. For those granted on 26 July 2013, there was no historic volatility as the Company re-listed on AIM. The risk free rate of return is based on zero yield government bonds for a term consistent with the option life.

Based on materiality, the total fair value of the options and warrants granted in the year has not resulted in a change to the Statement of Comprehensive Income for the year 30 June 2014 (2013: £nil).

OTHER RESERVES

	Share option reserve £'000	Merger reserve £'000	Reverse acquisition reserve £'000	Total £'000

1 July 2013	23	-	-	23
Share based payments	-	-	-	-
30 June 2013	23	-	-	23
Cancellation of share warrants	(23)	-	-	(23)
Reverse acquisition	110	3,150	(7,361)	(4,101)
30 June 2014	110	3,150	(7,361)	(4,101)

BUSINESS COMBINATIONS

During the year ended 30 June 2011 the Company acquired 17.05% of the share capital of Inspirit Energy Limited for £740,000.

On 26 July 2013, the Company acquired the remaining 82.95% of the share capital and obtained control of Inspirit Energy Limited for £3,500,000. Inspirit Energy Limited is an unlisted company registered in the United Kingdom operating in the clean tech and renewable sector. The acquisition is in line with the Company's overall strategy as an investment company.

The acquisition has been treated as a reverse acquisition hence accounted for in accordance with IFRS 3, as set out in the accounting policies. The following table summarises the consideration paid for Inspirit Energy Holdings Plc through the reverse acquisition and the amounts of the assets acquired and liabilities assumed at the acquisition date.

In accordance with IFRS 3, goodwill under a reverse acquisition is calculated on the net assets of the legal parent. The goodwill of £663,000 arising from the acquisition is attributable to the value of the parent company. The Directors do not consider goodwill reflects an increase in the Group's assets and therefore have impaired the goodwill in full.

Consideration at 26 July 2013	£'000
Equity instruments in issue (73,139,505 ordinary shares at 1p each)	731
TOTAL CONSIDERATION	731

Recognised amounts of identifiable assets acquired and liabilities assumed	£'000
Cash and cash equivalents	-
Investments	740
Trade and other receivables	159
Trade and other payables	(779)
Borrowings	(52)
TOTAL IDENTIFIED NET ASSETS	68
GOODWILL	663

In a reverse acquisition, the acquisition date fair value of the consideration transferred by Inspirit Energ based on the number of equity instruments that Inspirit Energy Limited would have had to issue to the Inspirit Energy Holdings Plc to give the owners of Inspirit Energy Holdings Plc the same percentage of equi that results from the reverse acquisition. However, in the absence of a reliable valuation of Inspirit, the combination was calculated using the fair value of all the pre-acquisition issued equity instruments of Ins Holdings Plc at the date of acquisition. The fair value was based on the published price of Inspirit Energy H shares on 26 July 2013 immediately prior to the acquisition.

RELATED PARTY TRANSACTIONS

Global Investment Strategy (UK) Limited

Mr J Gunn is a Shareholder and Director of Global Investment Strategy (UK) Limited ("GIS"). Ms J Nazhat is also Director of GIS.

The Company entered into an unsecured loan facility on 28 June 2013 with GIS for an aggregate maximum amount of £350,000. Amounts may be drawdown at the discretion of the Company. Interest is payable on any drawdown at 5 per cent above the base rate of HSBC Bank plc. Any amount drawdown under the loan facility shall be repayable 18 months from the date of the loan facility. No amounts were drawn down under this facility as at 30 June 2013. GIS hold a fixed and floating charge over all assets of the Company.

On 4 September 2013, the Company converted existing debt held by GIS and John Gunn. The total debt and accrued interest of £706,680.25 was satisfied by the allotment of 54,360,019 ordinary shares of 0.1p each in at a conversion price of 1.3p each.

Other related parties

On 28 June 2013, the Company entered into a Discretionary Drawdown Facility ("DDF") with Mr D Lenigas, non-executive Chairman, which provides the Company with an equity facility up to a maximum aggregate limit of £70,000. The facility is available for drawdown at any time, and for any specified amount at the Company's discretion, up to 17 May 2015. Mr D Lenigas is entitled to commission at 6.0% of any amount received by the Company in accordance with the terms of the facility.

On 9 August 2013, the Company issued 1,250,000 new ordinary shares to Ascend Capital Plc for the provision of corporate finance services, of which Mr N Jagatia is a Director.

On 26 June 2014, John Gunn, a Director of the Company, has agreed to invest £50,000 in a placing by subscribing to 3,571,429 placing shares at 1.4p per share. At 30 June 2014, this amount is included within other receivables.

During the year, Montpelier Law Ltd, a company in which J Nazhat is a Director, charged corporate services fees of £37,000. The amount owed to Montpelier Law Ltd at year end is £4,000.

During the year, NKJ Associates Ltd, a company in which N Jagatia is a Director, charged consultancy fees of £14,000. The amount owed to NKJ Associates Ltd at year end is £2,000.

EVENTS AFTER THE REPORTING DATE

On 1 July 2014, the Company has concluded a more detailed manufacturing partnership agreement with Malvern Boilers Ltd. This agreement will see the companies working closer together to achieve the joint goals of producing the initial trial boilers for evaluation sites by the end of October 2014 and placing Malvern in the controlling role of managing the production introduction and supply chain.

On 11 September 2014, Dr John Bannister joined the management team as a full time consultant to the Company and special advisor to the Board.

On 18 September 2014, the Company has agreed to issue 3,398,056 new ordinary shares of 0.1p each in the Company as settlement for professional fees.