

**ACP ENERGY PLC**

Company registration number 13322549 (England and Wales)

**ACP ENERGY PLC**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

## ACP ENERGY PLC

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<b>Directors</b>	Mr J Orbell Mr S Firth Mr J Tyler Mr P Welch
<b>Secretary</b>	Mr J Orbell
<b>Company number</b>	13322549
<b>Registered office</b>	21 High Street Lutterworth LE17 4AT
<b>Auditor</b>	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD

# ACP ENERGY PLC

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# ACP ENERGY PLC

## CHAIRMAN'S STATEMENT

*FOR THE YEAR ENDED 30 JUNE 2023*

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### Chairman's Statement

I am pleased to report the audited financial statements to shareholders for the period ended 30 June 2023.

During the period, ACP Energy Plc ("ACP") entered into an agreement to purchase a producing Exploration and Production ("E&P") asset in Ecuador. As of the date of this report, the Company has not been able to close this transaction due to inter alia, the political situation in Ecuador and elsewhere in Latin America, and the withdrawal of one of the Company's funding partners following a sudden death. The Directors have determined that a successful close is now unlikely and have entered into a new agreement intended to result in the purchase of a royalty on a natural resources asset.

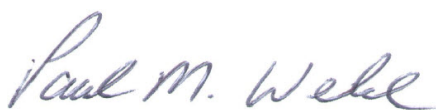
The Company suspended trading in its shares on January 16, 2023 after signing a definitive agreement with the seller of the producing asset. At the time of this report the shares remain suspended as the more recent royalty asset transaction has not yet closed.

The Directors, who founded the business, have a significant interest in the share capital of the Company and look forward to delivering on the commitment they made to shareholders.

### Outlook

Despite failing to close the transaction in Ecuador, the Company has been able to secure additional funding and an agreement that it is anticipated will result in the purchase of an attractive royalty on a natural resources asset. The Company hopes to close this transaction by the end of 2024.

I would like to thank all shareholders for the support they have shown for the Company during the process to find and acquire an asset for listing.



Paul Welch  
**Executive Chairman**

Date: August 7, 2024

# ACP ENERGY PLC

## STRATEGIC REPORT

*FOR THE YEAR ENDED 30 JUNE 2023*

The Directors present the Strategic Report of the Company for the year ended 30 June 2023

### THE COMPANY'S STRATEGY

#### 1 Introduction

The Company was incorporated on 8 April 2021 in accordance with the laws of England and Wales as a private limited company with the name ACP Energy Limited. The Company was re-registered as a public limited company on 23 August 2021 with the name ACP Energy Plc. The Company's shares are currently suspended from trading on the London Stock Exchange Main Market as a consequence of the market sensitive nature of the funding and royalty purchase agreements.

#### 2 Company Objectives

The Company was formed to acquire one or more target companies, businesses or assets. The resulting investment may be in a company, royalty, partnership, special purpose vehicle or joint venture.

The Company will focus on opportunities within the natural resources industry, such as exploration, appraisal, development or production, particularly projects with identified reserves and/or resources. The Company will target opportunities that have a funding requirement to development and/or increase production rates. The Company will also focus on those opportunities that would provide the Company with an economic interest (by equity, royalty or debt participation) and a control interest (through board, technical committee and or management positions) and whose potential value, over the long term, is greater than the price and costs expended by the Company to acquire them.

The Company's efforts in identifying opportunities will not be limited to a particular geographic location.

The Company has not completed an Acquisition. Unless required by applicable law or other regulatory process, no Shareholder approval will be sought by the Company in relation to any such acquisition (of a target company or business).

#### 3 Acquisition Strategy

The Board has identified the following criteria for the purpose of reviewing and evaluating opportunities.

- **Sectoral Focus:** the Company intends to focus on opportunities in the natural resources sector. The Company will have a particular focus on producing assets, that require additional investment to increase the production and reserves base. The Directors believe that, based upon their collective experience, there are significant opportunities in the sector, and in particular existing producing assets that will generate value for Shareholders. The Directors, together with their advisers, have extensive global networks within the sector, and associated financial services, from which to solicit and assess opportunities.
- **Development Profile:** the Company intends to focus on producing assets that have not received sufficient investment capital due to either local fiscal issues or the recent downturn in commodity prices. Such assets will likely have had a certain amount of development work undertaken to establish a minimum base of production or resource but that, for whatever reason, now requires further funding in order to either fully develop the opportunity or to repair the asset to either return it to or increase its production. The Company therefore expects to focus on opportunities where the asset will be revenue generating either immediately upon acquisition or within a reasonable timeframe following the work program completion. The Directors believe that this strategy will balance investment risk against long-term shareholder value.

# ACP ENERGY PLC

## STRATEGIC REPORT

- Geography: the Company does not propose to limit its search to any specific geographic location; however, the Directors will ensure that the geographic location of any investment opportunity is suitable for institutional investment in the London market. The assets may be located anywhere in the world but the Company will primarily be looking at opportunities in proven producing jurisdictions with established infrastructure, and the regulation of such activities.
- Size of Acquisition Target: the Company is not able to provide an exact indication of the size of the acquisition target and it will consider a range of prospective opportunities. The Directors will primarily focus on opportunities that meet the acquisition criteria and which are likely to generate value for shareholders. The Directors propose to use their collective experience of identifying, originating, structuring and financing transactions to generate value for the Company.

The Directors propose to use their own research to identify potential opportunities and their expertise to assess the propositions and will then initiate discussions directly or via market contacts and professional advisers.

The Directors have a broad range of contacts through which to identify potential opportunities. Once identified, the Directors propose to conduct initial due diligence and, where they believe further investigation is required, propose to appoint appropriately qualified personnel and professional advisers to assist. The Directors believe they can undertake this process promptly, enabling them to determine quickly those opportunities that could be value accretive to shareholders and to progress to formal due diligence.

There is no specific expected target value for any proposed acquisition. The Company expects that any funds not used for the Acquisition will be used for, internal or external growth and expansion, and working capital in relation to the acquired company or business. Furthermore, it is anticipated that the Acquisition is likely to be near to generating revenue and or profit, which will provide cash flow for future acquisitions.

The Directors' long-term aim is to create shareholder value by investing in projects with dependable cashflow and build a portfolio where the Directors believe that there are large potential upside in value by providing vital finance and expertise enabling a company or business in the natural resources sector to increase its production and reserve a base.

### **4 Capital Resources and Returns Management**

The Company raised gross proceeds of £830,000 from the Placing and Subscription in the previous financial year. No additional funds have been raised in the financial year to 30 June 2023. The Directors believe that, following an Acquisition, further equity capital raisings will be required by the Company for working capital purposes as the Company pursues its future objectives.

It is intended that the purchase price for any potential Acquisition will be satisfied by way of consideration shares in the Company or cash consideration (or a combination). By utilising consideration shares this will enable the Company to conserve cash resources for working capital purposes. However, whether a further equity raising will be required and the amount of such raising will depend on the nature of the Acquisition opportunities which arise and the form of consideration the Company uses to make an Acquisition which cannot be determined at this time.

### **5 Dividend policy**

The Company intends to pay dividends on the Ordinary Shares following an Acquisition at such times (if any) and in such amounts (if any) as the Board determines appropriate in its absolute discretion. Prior to an Acquisition it is unlikely that the Company will have any earnings but to the extent the Company has any earnings it is the Company's current intention to retain any such earnings for use in its business operations, and the Company does not anticipate declaring any dividends in the foreseeable future. The Company will only pay dividends to the extent that to do so is in accordance with all applicable laws.

# ACP ENERGY PLC

## STRATEGIC REPORT

### 6 Corporate governance

The Directors are committed to maintaining high standards of corporate governance and propose, so far as is practicable given the Company's size and nature, to voluntarily adopt and comply with the QCA Code. However at present, due to the size of the Company, the Directors acknowledge that adherence to certain other provisions of the QCA Code may be delayed until such time as the Directors are able to fully adopt them. In particular, action will be required in the following areas:

The 10 principles of the QCA code are listed below and the Company's action to apply these principles to ACP follow:

#### DELIVER GROWTH

- 1. Establish a strategy and business model which promote long-term value for shareholders**
  - a. The Company carefully screened and identified opportunities that had the potential to create value for shareholders.
  - b. The Company reviewed over 100 opportunities and only progressed three that met the long-term growth objectives of the Company.
- 2. Seek to understand and meet shareholder needs and expectations**
  - a. The company has maintained an active dialogue with its shareholders and sought their input when appropriate when assessing acquisition opportunities.
- 3. Take into account wider stakeholder and social responsibilities and their implications for long-term success**
  - a. This was an active part of the screening process for new opportunities.
  - b. The Company sought input from host governments, local authorities and the local communities when deciding on which investment opportunities to actively pursue.
  - c. Only those opportunities where the Company was confident of a positive reception and outcome for the entire range of stakeholders were progressed.
- 4. Embed effective risk management, considering both opportunities and threats, throughout the organization**
  - a. The company actively seeks to reduce risk in all aspects of its business.
  - b. Early on it decided to only take part in upstream Oil and Gas opportunities that were producing or had produced to reduce the risk to generating cash flow from any assets it acquired.
  - c. This eliminated most of the risks to do with permitting or construction of the infrastructure necessary to produce.

#### MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK

- 5. Maintain the board as a well-functioning, balanced team led by the chair**
  - a. Board of Directors ("BOD") members were selected based upon a range of skill sets and experience
  - b. The Company also held frequent Director meetings to ensure all viewpoints were adequately addressed
  - c. The BOD also documented its activities so there was a clear and auditable record of the steps taken to deliver value to shareholders.
- 6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities**
  - a. As this was an early stage Company this issue was addressed early on by the selection of BOD members.
  - b. The Company also utilised 3<sup>rd</sup> party consultants when needed to address technical qualities of assets that were being progressed through the acquisition process.
  - c. These consultants provided information and technical advice when sought by the BOD

# ACP ENERGY PLC

## STRATEGIC REPORT

- 7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement**
  - a. The BOD actively reviewed its effectiveness against its objectives on at least an annual basis in regular meetings
- 8. Promote a corporate culture that is based on ethical values and behaviours**
  - a. The BOD promotes its value through the policies it adopted and
  - b. The way in which it conducts its business
- 9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board**
  - a. The Company, on at least an annual basis, held a meeting of the BOD where it did a look back on its progress against its goals and sought ways to continually improve its performance.

## BUILD TRUST

- 10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders**
  - a. This is core to the Company's operating philosophy.
  - b. It actively and deliberately seeks input from its shareholder base and
  - c. Communicates on its progress towards achieving its goals on a frequent basis.

Due to the Company's size and state of development, the Company departs from the QCA Code best practice in the following respects:

- the QCA Code recommends that the Company separates the roles of chairman and executive director. At the date of this Report the Chairman is Mr Paul Welch who is an executive director which is a departure from the Code and a consequence of the Company's early stage of development. As the Company grows, the Board will seek to appoint additional independent directors, one of whom will be appointed as senior independent director;
- the Company is currently too small to have an audit committee, a remuneration committee or a nominations committee established and the appointments to such committees will be revisited upon the completion of an Acquisition along with incorporating terms of reference for them.

To demonstrate the Company's adherence to the QCA Code, the Company will hold timely board meetings as issues arise which require the attention of the Board. The Board is responsible for the management of the business of the Company, setting the strategic direction of the Company and establishing the policies of the Company. It is the Directors' responsibility to oversee the financial position of the Company and monitor the business and affairs of the Company, on behalf of the Shareholders, to whom they are accountable. The primary duty of the Directors is to act in the best interests of the Company at all times. The Board also addresses issues relating to internal control and the Company's approach to risk management.

The Board as a whole will be responsible for sourcing Acquisitions and ensuring that opportunities are in conformity with the Company's strategy. The Board will meet periodically to: (i) discuss possible Acquisition opportunities for the Company; (ii) monitor the deal flow and Acquisitions in progress; and (iii) review the Company's strategy and ensure that it is up-to-date and appropriate for the Company and its aims.

## 7 Conflicts of Interest

None of the Directors currently has any potential conflict of interests between their duties to the Company and their private interests or other duties. However, none of the Directors are employed by the Company on a full-time basis and as such, conflicts may arise in the future as a Director may allocate a portion of their time to other businesses leading to the potential for conflicts of interest in their determination as to how much time to devote to the Company's affairs.



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## RISKS RELATING TO THE COMPANY'S BUSINESS STRATEGY

***There is no assurance that the Company will conclude an Acquisition in a timely manner or at all.***

The success of the Company's business strategy is dependent on its ability to identify sufficient suitable Acquisition opportunities. The Directors are unable to guarantee that the Company will be able to complete an Acquisition or that it will be able to complete an Acquisition within a reasonable timeframe.

An Acquisition target identified by the Company may not proceed for a number of valid reasons, including, inter alia, the Company is outbid by a competitor, terms cannot be agreed with the vendors or due diligence reveals significant issues with the target. Aborting a proposed Acquisition or Acquisitions could mean that the Company is left with substantial unrecovered transaction costs, potentially including fees, legal costs, accounting costs, due diligence or other expenses to allow it to pursue further opportunities.

Even if the Company completes an Acquisition, there is no assurance that any operating improvements will be successful or, that they will be effective in increasing the valuation of any business acquired

Following an Acquisition the Company will endeavour to generate Shareholder value through applying financial and sectoral expertise to effect operational improvements. However, there can be no assurance that the Company will be able to propose and implement effective operational improvements for any company or business which the Company acquires. In addition, even if the Company completes an Acquisition, general economic and market conditions or other factors outside the Company's control could make the Company's operating strategies difficult or impossible to implement. Any failure to implement these operational improvements successfully and/or the failure of these operational improvements to deliver the anticipated benefits could have a material adverse effect on the Company's results of operations and financial condition.

***The Company may be unable to complete an Acquisition or to fund the operations of the target business if it does not obtain additional funding***

The Company has not yet completed an Acquisition but the Directors are of the view that its Acquisition strategy will enable it to identify a range of opportunities meeting its criteria and which are capable of returning value to Investors. On that basis, the Company cannot currently predict the amount of additional capital that may be required once an Acquisition has been made, if the target is not sufficiently cash generative, further funds may need to be raised.

Although the Company intends to finance acquisitions primarily through the issue of Ordinary Shares in the Company, if, following an acquisition, the Company's cash reserves are insufficient; the Company may be required to seek additional equity financing. The Company may not receive sufficient support from its existing Shareholders to raise additional equity, and new equity investors may be unwilling to invest on terms that are favourable to the Company, or at all. The Company may also need to consider pursuing debt financing as a means to obtain additional financing but the lenders may be unwilling to provide debt financing to the Company on attractive terms, or at all. To the extent that additional equity or debt financing is necessary to complete an Acquisition and remains unavailable or only available on terms that are unacceptable to the Company, the Company may be compelled either to restructure or abandon an Acquisition, or proceed with an Acquisition on less favourable terms, which may reduce the Company's return on the investment.

Even if additional financing is unnecessary to complete an Acquisition, the Company may subsequently require equity or debt financing to implement operational improvements in an acquired business. The failure to secure additional financing or to secure such additional financing on terms acceptable to the Company could have a material adverse effect on the continued development or growth of the acquired business.

## RISKS ASSOCIATED WITH NATURAL RESOURCES SECTOR

### ***Industry-specific risks***

The Directors' strategic goal is to complete an acquisition in the natural resources sector. Investors should nevertheless be aware that the natural resources sector is inherently tied to the performance of the global economy and, in particular, fluctuations in commodity prices.

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The Directors cannot provide a clear indication of the timespan it will take to conclude an Acquisition and any Acquisition will be subject to an appropriate level of due diligence and investigation undertaken by the Board together with its advisors. Investors should therefore be aware that a shift in global economy and, in particular, fluctuations in commodity prices, during such time could mean that there are potentially fewer attractive Acquisition opportunities available and this could mean that competition for such intensifies. If such risks were to materialise this could mean that the ability of the Board to complete an Acquisition could be adversely affected.

### **Exploration and development risks**

Natural Resources development in which the Board intends to focus is by its nature highly speculative in nature and involves a high degree of risk. Shareholders should be aware that the company, business or asset that the Company acquires as a result of an Acquisition may not ultimately reach the stage of production and may not be able to generate revenue in timescales that investors may consider reasonable or at all, as a result of factors beyond the control of the Company and its Board. This could result in shareholders losing their investment and or failing to generate any return on their investment in the Company.

The specific factors relating to a potential Acquisition target are not capable of being ascertained as at the date of this Document. Nevertheless, the economics of developing natural resource properties are affected by many general factors including the cost of operations, availability of drilling equipment, reserve and resources estimates, volatility of prices, fluctuations in exchange rates, costs of development, infrastructure and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting and environmental protection.

The exploration and development of a project following an Acquisition could be subject to delay and potential funding issues. Exploration and development of assets generally require significant capital investment. It could therefore mean that several further fundraising rounds from the issue of new Ordinary Shares are required following and in conjunction with an Acquisition for the project to be able to reach a stage of production or may otherwise be required to provide it with sufficient working capital. Such events are likely to be dilutive to existing shareholders.

### **Analysis of directors, key employees and employees by sex**

	Number	Male	Female
Directors	4	4	0
Key Employees	0	0	0
Employees	0	0	0

The Directors are all White British.

### **Key performance indicators**

There are no other key performance indicators for this period as the Company has not completed its investment activity.

The Company operates in an uncertain environment and is subject to a number of risk factors. The Directors have carried out a robust assessment of the risks and consider the risk factors outlined above and below in this Strategic Report are of relevance to the Company's activities, although it should be noted that this list is not exhaustive and that other risk factors not presently known or currently deemed immaterial may apply.

# ACP ENERGY PLC

## Section 172 Statement

**Stakeholder Engagement:** As the Board of Directors of ACP Energy Plc, we have a legal responsibility under section 172 of the Companies Act 2006 to act in the way we consider, in good faith, would be most likely to promote the company's success for the benefit of its members as a whole, and to have regard to the long-term effect of our decisions on the company and its stakeholders. This statement addresses the ways in which we as a Board fulfil this responsibility.

**Promoting the company's success for its members:** ACP Energy Plc was formed to make one or more acquisitions in the natural resources industry. To enable the Company to pursue its principal activity, it pursued an Initial Public Offering ("IPO") of its shares onto the London Stock Exchange through a Standard Listing to raise the necessary funds for the execution of its business strategy. The IPO was successfully completed and the Company's shares were admitted for trading on 28 January 2022. Following admission, the Company is now focused on identifying acquisition opportunities in its chosen sector.

**The interests of the company's employees:** The Company currently has no employees.

**Our customers and suppliers:** The Company has no operating business, no customers and only a limited number of suppliers. Potential customers, suppliers and joint venture partners are considered in light of their suitability to comply with the Company's policies and objectives.

**Our community:** The Company has no operations that impact any communities. However, upon a successful acquisition, it will assess its status and engagement with communities, to ensure that it maintains a high standard in its activities regarding health, safety and community relations. It will also work responsibly with suppliers, and actively monitor performance on an on-going basis.

**The environment:** The Company currently has a very limited environmental impact. However, we recognise our environmental responsibilities and will consider the carbon footprint and other environmental impacts of any assets that are acquired and investigate measures that may be taken to reduce them.

On behalf of the board



Mr J Orbell

**Director**

Date: 7<sup>th</sup> August 2024

# ACP ENERGY PLC

## DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

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The directors present their annual report and financial statements for the year ended 30 June 2023.

### Principal activities

The principal activity of the company is a cash shell. The company was incorporated on 8 April 2021 and had not traded up to the balance sheet date.

### Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr J Orbell  
Mr S Firth  
Mr J Tyler  
Mr P Welch

Directors' remuneration for the year was £1,711

### Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of 0.2p each	
	2023	2022
Mr P Welch	6,875,000	6,875,000
Mr J Orbell	6,875,000	6,875,000
Mr S Firth	2,500,000	2,500,000

The company's capital consists of ordinary shares, which rank pari passu in all respects and are traded on the Standard segment of the Main Market of the London Stock Exchange. There are no restrictions on the transfer of securities in the company, or restrictions on voting rights and none of the company's shares are owned or controlled by employee share schemes. There are no arrangements in place between shareholders that are known to the company that may restrict voting rights, restrict transfer of securities, result in the appointment or replacement of directors, amend the company's Articles of Association or restrict the powers of the company's directors, including in relation to the issuing or buying back by the company of its shares or any significant agreements to which the company is a party that take effect after or terminate upon, a change of control of the company following a takeover bid or the like. The founders are all subject to a 12 month lock-in and orderly market restrictions.

### Supplier payment policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were £763.

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## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

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### Substantial Shareholdings

At the date of signing these financial statements, the shareholders with an interest over 3% were as follows:

Name	Holding
Paul Welch	14.8%
James Timothy Orbell	14.8%
Stuart Firth	5.4%
La Tourelle Consulting Limited	14.8%
Blumen Capital Ltd	14.8%
Pershing Nominees	12.9%
Leander Christofides	4.3%
Paris Christofides	4.3%

### Greenhouse Gas (GHG) Carbon emission

The Company is currently non-trading with no operating premises or employees other than its Directors, and therefore has minimum carbon emissions. Total emissions are expected to be lower than 40,000 Kwh. Accordingly, it is not considered necessary to obtain emissions, energy consumption or energy efficiency data and produce an Energy and Carbon Report under SI 2018/1155.

### Financial instruments

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

### Requirement of the Listing Rules

Listing Rule 9.8.4 requires the company to include certain information in a single identification section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures required in relation to Listing Rule 9.8

### Auditor

PKF Littlejohn LLP were appointed as auditor to the company and in accordance with section 485 of the companies act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

### Going Concern

The Company was set up as a shell company with the intention to purchase an asset. To date, the Company has not been successful in closing a transaction but has incurred costs associated with both investigating potential acquisitions and general administrative expenses. Consequently, the Company has no revenue and has sought additional finance to maintain its ability to operate.

# ACP ENERGY PLC

## DIRECTORS' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 30 JUNE 2023*

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The Company, along with certain of its shareholders, have agreed a transaction with Tristream Capital Pte, the terms of which entail Tristream providing the Company with £250,000 of financing. The Company's most recent budget forecast shows that this will be sufficient for the Company to cover its running costs and expenses for a period of at least 12 months from the date of this memorandum.

However, the Company remains exposed to the following risks:

- 1) As of the date of this report all of the funding from Tristream has not been received. There is a risk that Tristream will fail to close, although the Directors have no information that suggest they do not intend to do so
- 2) The Company will need to acquire a revenue generating asset to secure its long term viability
- 3) The purchase of any revenue generating asset may involve additional costs that have not been budgeted for and are in excess of the Company's resources

The Directors have concluded that, taking into account the information that they currently have, in their judgement it is appropriate that the Company continue as a Going Concern despite there being a material uncertainty that may cause significant doubt about the ability of the Company to continue to operate as a going concern.

Based on their enquiries and the information available to them and taking into account the other risks and uncertainties set out herein, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing this financial information.

#### **Events after the reporting period**

Throughout the second half of 2023 and early 2024 the Company continued to work to close the asset transaction in Ecuador. To date, this has been unsuccessful due to, inter alia, the political situation in Ecuador and elsewhere in Latin America, and the withdrawal of one of the Company's funding partners following a sudden death.

The Directors determined that the Company needed additional funding to continue as a going concern and have agreed a transaction, in conjunction with certain of the founding shareholders, to provide these funds. The transaction entails selling a controlling stake in the Company to Tristream Capital Pte who will then provide funding to the Company sufficient for it to continue.

# ACP ENERGY PLC

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

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### Statement of directors' responsibilities

The directors are responsible for preparing the annual report 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 elected to prepare the financial statements in accordance with International accounting standards in conformity with the requirements of the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, Directors are required to:

- properly select accounting policies and apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

On behalf of the board



Mr J Orbell

Director

Date: 7<sup>th</sup> August 2024

# ACP ENERGY PLC

## DIRECTORS' REMUNERATION REPORT

*FOR THE YEAR ENDED 30 JUNE 2023*

### Introduction

The information included in this report is not subject to audit other than where specifically indicated.

### Remuneration Committee

The Company is aware of its obligations under the QCA Corporate Governance Code. As it has announced previously, it will set up a Remuneration Committee once it has commenced its trading activities and the Committee's function will be to review the performance of executive directors and senior employees and set their remuneration and other terms of employment.

### The remuneration policy

Each of the Directors shall be paid a fee at such rate as may from time to time be determined by the Board. Any Director who is appointed to any executive office shall be entitled to receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board or any committee authorised by the Board may decide, either in addition to or in lieu of his remuneration as a Director. In addition, any Director who performs services which in the opinion of the Board or any committee authorised by the Board go beyond the ordinary duties of a Director, may be paid such extra remuneration as the Board or any committee authorised by the Board may determine.

### Recruitment Policy

Base salary levels will take into account market data for the relevant role, internal relativities, their individual experience and their current base salary. Where an individual is recruited at below market norms, they may be re-aligned over time, subject to performance in the role. Benefits will generally be in accordance with the approved policy. For external and internal appointments, the Board may agree that the Company will meet certain relocation and/or incidental expenses as appropriate.

### Service agreements and terms of appointment (audited)

The directors have service contracts with the company. These contracts are not fixed term and may be terminated by either the Company or the Director by giving a 3 months' notice.

### Directors' interests

The directors' interests in the share capital of the Company are set out in the Directors' report.

### Directors' emoluments (audited)

During the period Paul Welch was the only director that was employed by the company. An accrual of £1,711 (2022: £713) was recognised during the year relating to his fees and there were no other accruals or payments relating to Directors' emoluments

	2023	2022 (restated)
Mr J Orbell	£Nil	£Nil
Mr S Firth	£Nil	£Nil
Dr JP Tyler	£Nil	£Nil
Mr P Welch	£1,711	£713

No pension contributions were made by the company on behalf of its directors, and no excess retirement benefits have been paid out to current directors.

### Payment for loss of Office

If a contract is to be terminated, the Company will determine such mitigation as it considers fair and reasonable in each case. The Company reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment.



## ACP ENERGY PLC

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### **Percentage change tables (audited)**

The Directors have considered the requirement for the percentage change tables comparing the Chairman's percentage change of remuneration to that of the average employee to not provide any meaningful information to the shareholders. This is due to the company not having any employees in this or the prior period with the exception of the Directors. The Directors will review the inclusion of this table for future reports.

### **Company performance graph (audited)**

The Directors have considered the requirement for a UK 10-year performance graph comparing the Company's Total Shareholder Return with that of a comparable indicator. The Directors do not currently consider that including the graph will be meaningful because the Company has only been listed since 28 January 2022, is not paying dividends, is currently in a start-up mode and whose focus is to seek an acquisition. In addition, and as mentioned above, the remuneration of Directors is not currently linked to performance and we therefore do not consider the inclusion of this graph to be useful to shareholders at the current time. The Directors will review the inclusion of this table for future reports.

### **Other matters**

There are no other reportable matters to disclose.

### **Approval by shareholders**

At the next annual general meeting of the company a resolution approving this report is to be proposed as an ordinary resolution. The Board considers shareholder feedback received and guidance from shareholder bodies. This feedback, plus any additional feedback received from time to time, is considered as part of the Company's annual policy on remuneration.

On behalf of the board



Paul Welch

Chairman

# ACP ENERGY PLC

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACP ENERGY PLC

### Opinion

We have audited the financial statements of ACP Energy Plc (the 'company') for the year ended 30 June 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that the company is in the process of completing a funding transaction which it requires in order to continue to meet its recurring outgoings and obligations for 12 months from the date of signing the financial statements. As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining cash flow forecasts and budgets from management for a period of the 12 months period to 31 August 2025 and the corresponding assumptions used;
- Reviewing the post year end bank balance for evidence of available cash;
- Reviewing the mathematical accuracy of the cash flow forecasts;
- Reviewing supporting documents to assess the reasonableness of management's cash flow forecasts and comparing previous forecasts to actual results;
- Discussing with management regarding future plans for financing and the dependence of the company on these to continue as a going concern; and
- Challenging management's key inputs and assumptions underpinning the going concern assessment to supporting documents.

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

### Our application of materiality

# ACP ENERGY PLC

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures.

The materiality applied to the company financial statements was set at £5,500. Materiality has been calculated as 5% of net assets, which we have determined, in our professional judgement, to be the principal benchmark relevant to the members of the company in assessing financial performance. As the company has yet to begin trading, the key focus of the company is on acquiring investments in natural resource assets.

Performance materiality has been set at £3,850, being 70% of the materiality applied to the company financial statements as a whole.

We agreed that we would report to the Board of Directors all misstatements we identified throughout our audit with a value in excess of £275, in addition to other audit misstatements below that threshold that we believe warrant reporting on qualitative grounds.

## Our approach to the audit

In designing our audit, we determined materiality, as above, and assessed the risks of material misstatement in the financial statements. In particular, we considered areas involving significant accounting estimates and judgements by the directors, such as share-based payments.

We also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud. Procedures were then performed to address the risks identified and for the most significant assessed risks of material misstatement, the procedures performed are outlined below in the Key audit matters section of this report.

## Key audit matters

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

Key Audit Matter	How our scope addressed this matter
<b>Valuation of share-based payment transactions (Note 20)</b>	
<p>The company has a material share-based payment reserve totalling £863,856 at the year-end which arose due to options and warrants issued in prior years.</p> <p>There's a risk that the share-based payment reserve is materially misstated due to either the underlying options and warrants being assigned an inappropriate fair value or the charge for the year not being correctly calculated in accordance with the underlying vesting conditions.</p> <p>We consider this to be a key audit matter given the significant judgements in valuing the share-based payments and materiality of the balances.</p>	<p>Our approach in this area included:</p> <ul style="list-style-type: none"><li>• Obtaining agreements for options and warrants issued in prior years, reviewing the underlying vesting conditions and ensuring these are appropriately considered within the fair value workings prepared by management;</li><li>• Reviewing share-based payments valuation calculations to ensure inputs are reasonable and mathematically accurate; and</li></ul>

# ACP ENERGY PLC

	<ul style="list-style-type: none"><li>• Ensuring accounting entries made in respect of these options are in accordance with IFRS 2.</li></ul> <p>Based on the procedures performed in the course of the audit, we have obtained sufficient and appropriate audit evidence over the valuation of share-based payments transactions. We have noted a prior period adjustment which has resulted in restated comparative balances.</p>
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## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

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

## Matters on which we are required to report by exception

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

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

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

## Responsibilities of directors

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

# ACP ENERGY PLC

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

## Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research and our experience in the sector.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from the Listing Rules and Disclosure Guidance and Transparency Rules, Companies Act 2006, Quoted Companies Alliance Corporate Governance Code 2018, and anti-money laundering regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
  - Enquiries of management;
  - Review of minutes of board meetings;
  - Review of regulatory news service announcements; and
  - Review of legal and professional fee to understand the nature of the costs and the existence of any non-compliance with laws and regulations.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

## Other matters which we are required to address

We were appointed by the Board of Directors on 7 November 2023 to audit the financial statements for the year ended 30 June 2023 and subsequent financial periods. This is our first year of appointment.

## ACP ENERGY PLC

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the Board of Directors.

### Use of our report

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



**Daniel Hutson (Senior Statutory Auditor)**  
**For and on behalf of PKF Littlejohn LLP**  
**Statutory Auditor**

15 Westferry Circus  
Canary Wharf  
London E14 4HD

<sup>7</sup> August 2024

# ACP ENERGY PLC

## STATEMENT OF COMPREHENSIVE INCOME

**FOR THE YEAR ENDED 30 JUNE 2023**

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		Year ended 30 June 2023	Period ended 30 June 2022 as restated
	Notes	£	£
Administrative expenses		(493,193)	(144,340)
Share based payments	20	-	(701,750)
<b>Operating loss</b>	<b>4</b>	(493,193)	(846,090)
Income tax expense	8	-	-
<b>Loss and total comprehensive income for the year</b>		(493,193)	(846,090)
<b>Earnings per share</b>	<b>9</b>		
Basic		(1.06)	(1.88)

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The Notes to these accounts form part of these financial statements

# ACP ENERGY PLC

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

		2023	2022
	Notes	£	as restated £
<b>ASSETS</b>			
<b>Current assets</b>			
Trade and other receivables	11	4,230	40,022
Cash and cash equivalents		159,648	599,876
		<u>163,878</u>	<u>639,898</u>
<b>Total assets</b>		<u>163,878</u>	<u>639,898</u>
<b>EQUITY</b>			
Called up share capital	18	93,200	93,200
Share premium account	19	492,580	492,580
Other reserves	21	863,856	863,856
Retained losses		(1,339,283)	(846,090)
<b>Total equity</b>		<u>110,353</u>	<u>603,546</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	16	53,525	36,352
<b>Total liabilities</b>		<u>53,525</u>	<u>36,352</u>
<b>Total equity and liabilities</b>		<u>163,878</u>	<u>639,898</u>

The financial statements were approved by the board of directors and authorised for issue on .....7/8/2024 and are signed on its behalf by:

The Notes to these accounts form part of these financial statements



.....  
Mr J Orbell

7th August 2024

**Director**

**Company registration number 13322549**



# ACP ENERGY PLC

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Share capital £	Share premium account £	Other reserves £	Retained losses £	Total £
<b>Balance at 8 April 2021</b>		-	-	-	-	-
<b>Period ended 30 June 2022:</b>						
Loss and total comprehensive income		-	-	-	(279,026)	(279,026)
Transactions with owners in their capacity as owners:						
Issue of share capital	18	93,200	560,183	-	-	653,383
Share-based payments	21	-	-	229,189	-	229,189
<b>Balance at 1 July 2022 as previously reported</b>		93,200	560,183	229,189	(279,026)	603,546
Prior period adjustment	27	-	(67,603)	634,667	(567,064)	-
<b>Balance at 1 July 2022 as restated</b>		93,200	492,580	863,856	(846,090)	603,546
<b>Year ended 30 June 2023:</b>						
Loss and total comprehensive income		-	-	-	(493,193)	(493,193)
<b>Balance at 30 June 2023</b>		93,200	492,580	863,856	(1,339,283)	110,353

The Notes to these accounts form part of these financial statements

# ACP ENERGY PLC

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

		2023		2022	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	26		(440,228)		(148,010)
<b>Net cash outflow from operating activities</b>			(440,228)		(148,010)
<b>Financing activities</b>					
Proceeds from issue of shares		-		890,000	
Share issue costs		-		(142,114)	
<b>Net cash generated from financing activities</b>			-		747,886
<b>Net (decrease)/increase in cash and cash equivalents</b>			(440,228)		599,876
Cash and cash equivalents at beginning of year			599,876		-
Cash and cash equivalents at end of year			159,648		599,876

The Notes to these accounts form part of these financial statements

# ACP ENERGY PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2023

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#### 1 Accounting policies

##### Company information

ACP Energy Plc is a public company limited by shares incorporated in England and Wales. The registered office is 21 High Street, Lutterworth, LE17 4AT. The company's principal activities and nature of its operations are disclosed in the directors' report.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with UK-adopted international accounting standards in accordance with the requirements of the Companies Act 2006, except as otherwise stated.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

The Company was set up as a shell company with the intention to purchase an asset. To date, the Company has not been successful in closing a transaction but has incurred costs associated with both investigating potential acquisitions and general administrative expenses. Consequently, the Company has no revenue and has sought additional finance to maintain its ability to operate.

The Company, along with certain of its shareholders, have agreed a transaction with Tristream Capital Pte, the terms of which entail Tristream providing the Company with £250,000 of financing. The Company's most recent budget forecast shows that this will be sufficient for the Company to cover its running costs and expenses for a period of at least 12 months from the date of this memorandum.

However, the Company remains exposed to the following risks:

- 1) As of the date of this report all of the funding from Tristream has not been received. There is a risk that Tristream will fail to close, although the Directors have no information that suggest they do not intend to do so
- 2) The Company will need to acquire a revenue generating asset to secure its long term viability
- 3) The purchase of any revenue generating asset may involve additional costs that have not been budgeted for and are in excess of the Company's resources

The Directors have concluded that, taking into account the information that they currently have, in their judgement it is appropriate that the Company continue as a Going Concern despite there being a material uncertainty that may cause significant doubt about the ability of the Company to continue to operate as a going concern.

Based on their enquiries and the information available to them and taking into account the other risks and uncertainties set out herein, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing this financial information.

# ACP ENERGY PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

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#### 1.3 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.4 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

##### ***Financial assets held at amortised cost***

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They can arise from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

##### ***Impairment of financial assets***

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

# ACP ENERGY PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

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### 1 Accounting policies

(Continued)

#### 1.5 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments.

##### ***Financial liabilities not measured at fair value through profit or loss***

Financial liabilities not measured at fair value through profit or loss, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

#### 1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### ***Current tax***

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

##### ***Deferred tax***

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# ACP ENERGY PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

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### 1 Accounting policies

(Continued)

#### Employee benefits

- 1.8 The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.9 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

#### 1.10 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

#### Adoption of new and revised standards and changes in accounting policies

The company did not adopt any new or revised standards or interpretations in the year that had any impact on the amounts recognised in the current period, or that are expected to significantly affect future periods.

### 2 Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, there were various Standards and Interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective. None of these Standards and Interpretations are anticipated to have a material impact on the Company.

**ACP ENERGY PLC**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**3 Critical accounting estimates and judgements**

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

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

There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Key sources of estimation uncertainty**

**Share-based payments**

The cost of equity-settled share-based payment transactions is measured, where appropriate, with reference to the fair value at the date on which the instruments are granted. Estimates applied or used in a valuation model in order to calculate the share-based payment expense include, but are not limited to, the expected life of the award, the estimated probability that the instruments will vest within their lifetime and the expected volatility of the company's share price.

**4 Operating loss**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Operating loss for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	35,000	15,000
	<u>          </u>	<u>          </u>

**5 Expenses by nature**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>as restated £</b>
Employee benefits expense	1,711	713
Other operating expenses	491,482	143,627
Share-based payments	-	701,750
	<u>          </u>	<u>          </u>

# ACP ENERGY PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

### 6 Employees

The average monthly number of persons employed by the company during the year, including directors was:

	2023 Number	2022 Number
Directors	4	4

Their aggregate remuneration comprised:

	2023 £	2022 as restated £
Directors' emoluments	1,711	713

### 7 Directors' remuneration

	2023 £	2022 as restated £
Remuneration for qualifying services	1,711	713
	1,711	713

### 8 Income tax expense

The charge for the year can be reconciled to the loss per the income statement as follows:

	2023 £	2022 as restated £
Loss before taxation	(493,193)	(846,090)
Expected tax credit based on a corporation tax rate of 19.00% (2022: 19.00%)	(93,707)	(160,757)
Effect of expenses not deductible in determining taxable profit	69,275	133,332
Change in unrecognised deferred tax assets	24,432	27,425
<b>Taxation charge for the year</b>	-	-

The UK corporation tax rate changed on 1 April 2023 from 19% to 25%. The 19% rate remains for companies with taxable profits under £50,000. As the company had no taxable profits for the year, a rate of 19% has been maintained in the calculation above.

No deferred tax asset has been recognised in respect of deductible temporary differences. Refer to note 17.



# ACP ENERGY PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

### 9 Earnings per share

	2023	2022
	Number	Number
	46,600,000	44,996,347
<b>Number of shares</b>		
Weighted average number of ordinary shares for basic earnings per share		
	2023	2022
	£	as restated £
<b>Earnings (all attributable to equity shareholders of the company)</b>		
<b>Continuing operations</b>		
Loss for the period from continued operations	(493,193)	(846,090)
	2023	2022
	Pence per share	as restated Pence per share
<b>Basic and diluted earnings per share</b>		
From continuing operations	(1.06)	(1.88)

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share is calculated on the same basis as basic earnings per share but with a further adjustment for the weighted average shares in issue to reflect the effect of all dilutive potential ordinary shares. There are no dilutive potential ordinary shares, so the diluted earnings per share is equal to the basic earnings per share.

### 10 Credit risk

Cash deposits and financial transactions give rise to credit risk in the event that counter parties fail to perform under the contract. Given the level of cash deposits and financial assets within these financial statements, the probability of material loss is considered to be at an acceptable level.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the company's maximum exposure to credit risk.

The company does not hold any collateral or other credit enhancements to cover this credit risk.

### 11 Trade and other receivables

	2023	2022
	£	£
VAT recoverable	4,230	21,097
Prepayments	-	18,925
	4,230	40,022

# ACP ENERGY PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

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### 12 Trade receivables - credit risk

#### Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

No significant receivable balances are impaired at the reporting end date.

### 13 Fair value of financial liabilities

The directors consider that the carrying amounts of financial liabilities carried at amortised cost in the financial statements approximate to their fair values.

### 14 Liquidity risk

The following table details the remaining contractual maturity for the company's financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the company may be required to pay.

	Less than 1 month £	1 – 3 months £	3 months to 1 year £	Total £
<b>At 30 June 2022</b>				
Trade payables	15,139	-	-	15,139
Accruals	-	21,213	-	21,213
	<u>15,139</u>	<u>21,213</u>	<u>-</u>	<u>36,352</u>
<b>At 30 June 2023</b>				
Trade payables	499	-	264	763
Accruals	-	52,762	-	52,762
	<u>499</u>	<u>52,762</u>	<u>264</u>	<u>53,525</u>

#### Liquidity risk management

Responsibility for liquidity risk management rests with the board of directors. The company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### 15 Market risk

The company is not exposed to the financial risks of changes in foreign currency exchange rates and interest rates. It is also not affected by interest rate benchmark reform.

# ACP ENERGY PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

#### 16 Trade and other payables

	2023 £	2022 £
Trade payables	763	15,139
Accruals	52,762	21,213
	<u>53,525</u>	<u>36,352</u>

#### 17 Deferred taxation

No deferred tax asset has been recognised in respect of deductible temporary differences amounting to £179,227 (2022: £50,669) as it is not considered virtually certain that there will be future taxable profits available in the foreseeable future. These deductible temporary differences may be carried forward indefinitely.

#### 18 Share capital

	2023 Number	2022 Number	2023 £	2022 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of 0.2p each	<u>46,600,000</u>	<u>46,600,000</u>	<u>93,200</u>	<u>93,200</u>

On incorporation, the company issued 3,000 ordinary shares of £0.10 for consideration of £300 cash. On 6th July 2021, the company sub-divided the 3,000 shares into 150,000 ordinary shares with par value of £0.002 per share and issued 29,850,000 ordinary shares at a price of £0.002 per share for a total cash consideration of £59,700. On 28th January 2022, the company issued a further 16,600,000 ordinary shares with par value of £0.002 per share for a total consideration of £830,000. Share issue expenses totalling £142,114 were incurred in the prior year relating to this issue and are deducted from the company's share premium (see note 19). The ordinary shares have full rights in the company with respect to voting, dividends and distributions.

#### 19 Share premium account

	2023 £	2022 as restated £
At the beginning of the year	560,183	-
Prior year adjustment	(67,603)	-
As restated	<u>492,580</u>	-
Issue of new shares	-	796,800
Share issue expenses	-	(142,114)
Share-based payments (note 20)	-	(162,106)
At the end of the year	<u>492,580</u>	<u>492,580</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

#### 20 Share-based payments

24,998,950 options and 5,548,000 warrants over £0.002 ordinary shares in the company were issued on 21 January 2022. A further 6,000,000 warrants were issued on 2 March 2022. No options or warrants were issued in the year ended 30 June 2023.

The options and 1,398,000 of the warrants issued on 21 January 2022 were in respect of services provided. Therefore, a share based payment expense has been recognised in these financial statements amounting to £nil (2022: £863,856). 4,150,000 of the warrants issued on 21 January 2022 had no vesting conditions, were not in respect of payment for any service and had no intrinsic value at vesting. Therefore, no share based payment expense has been recognised in these financial statements in respect of these warrants. The warrants issued on 2 March 2022 were in respect of an IPO and expenses totalling £nil (2022: £162,106) were deducted from the company's share premium.

The options vest over 3 years following a reverse takeover ("RTO"). The warrants vested on the date of grant.

The tables below summarise the options and warrants in issue during the year.

	Number of share options		Average exercise price	
	2023 Number	2022 Number	2023 £	2022 £
Outstanding at 1 July 2022	24,998,950	-	0.01	-
Granted in the period	-	24,998,950	-	0.01
Outstanding at 30 June 2023	24,998,950	24,998,950	0.01	0.01
Exercisable at 30 June 2023	-	-	-	-

	Number of warrants		Average exercise price	
	2023 Number	2022 Number	2023 £	2022 £
Outstanding at 1 July 2022	11,548,000	-	0.06	-
Granted in the period	-	11,548,000	-	0.06
Outstanding at 30 June 2023	11,548,000	11,548,000	0.06	0.06
Exercisable at 30 June 2023	11,548,000	11,548,000	0.06	0.06

# ACP ENERGY PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

### Options and warrants granted during the prior year

Options and warrants granted in the prior year are set out below. Fair value was measured using the Black-Scholes model.

### 20 Share-based payments

(Continued)

	Pool 1 - Options	Pool 2 - Warrants	Pool 3 - Warrants
Grant date	21 January 2022	21 January 2022	2 March 2022
Weighted average fair value (£) - Restated	0.0561	0.0237	0.0215
Inputs for model:			
- Share price (£)	0.065	0.065	0.0675
- Exercise price (£)	0.01	0.0625	0.0625
- Expected volatility	50%	50%	50%
- Expected life (years)	5	3	2
- Expected dividends yields	-	-	-
- Vesting probability	50%	n/a	n/a

Volatility was calculated based upon the anticipated volatility of newly listed companies of a similar market capitalisation and number of shareholders.

Vesting probability relates to management's best estimate of the probability of the options vesting within their lifetime.

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

### 21 Other reserves

	2023 £	2022 as restated £
At the beginning of the year	229,189	-
Prior year adjustment	634,667	-
As restated	863,856	-
Additions	-	863,856
At the end of the year	863,856	863,856

Other reserves consists of the cumulative share-based payment expense recognised in relation to the grant of options and warrants (see note 20).

# ACP ENERGY PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

### 22 Capital risk management

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the company consists of cash and cash equivalents and equity comprising share capital, reserves and retained losses. The company reviews the capital structure annually and as part of this review considers that cost of capital and the risks associated with each class of capital.

### 23 Events after the reporting date

Throughout the second half of 2023 and early 2024 the Company continued to work to close the asset transaction in Ecuador. To date, this has been unsuccessful due to, inter alia, the political situation in Ecuador and elsewhere in Latin America, and the withdrawal of one of the Company's funding partners following a sudden death.

The Directors determined that the Company needed additional funding to continue as a going concern and have agreed a transaction, in conjunction with certain of the founding shareholders, to provide these funds. The transaction entails selling a controlling stake in the Company to Tristream Capital Pte who will then provide funding to the Company sufficient for it to continue.

### 24 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel, including directors, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	2023 £	2022 as restated £
Short-term employee benefits	1,711	713
Share-based payments	-	300,770
	<u>1,711</u>	<u>301,483</u>

### 25 Controlling party

No single party has control of the company.

### 26 Cash absorbed by operations

	2023 £	2022 as restated £
Loss for the year before income tax	(493,193)	(846,090)
<b>Adjustments for:</b>		
Equity settled share based payment expense	-	701,750
<b>Movements in working capital:</b>		
Decrease/(increase) in trade and other receivables	35,792	(40,022)
Increase in trade and other payables	17,173	36,352
	<u>38</u>	<u></u>
<b>Cash absorbed by operations</b>	<u>(440,228)</u>	<u>(148,010)</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

#### 27 Prior period adjustment

During the preparation of these financial statements, the directors have discovered some errors that were made in the application of IFRS 2 'Share-based Payment' in the 2022 financial statements to determine the share-based payment charge and the related disclosure. This relates mostly to the vesting conditions on share options and how these conditions impact on the fair value of the options and the timing of recognition of the charge. Furthermore, an element of the adjustment relates to a reassessment of the fair value of warrants, which were partially in respect of an IPO, resulting in adjustments to both share premium and retained losses. Details of the effect of this prior period adjustment are as follows:

#### Reconciliation of changes in equity

The prior period adjustment does not give rise to any adjustment to equity.

	8 April 2021 £	30 June 2022 £
<b>Analysis of the effect upon equity</b>		
Share premium	-	(67,603)
Other reserves	-	634,667
Retained losses	-	(567,064)
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

#### Reconciliation of changes in loss for the previous financial period

	2022 £
Loss as previously reported	(279,026)
<b>Adjustments to prior year</b>	
Reassessment of share-based payments	(567,064)
Loss as adjusted	<u>(846,090)</u>