10 October 2022

ACP ENERGY PLC

(“ACP” or “the Company”)

Annual Report and Financial Statements

Notice of Annual General Meeting

ACP Energy Plc (ACPE.L), the recently formed company set to capture value accretive opportunities in the oil & gas industry, is announcing its Annual Report and Financial Statements for the period ended 30 June 2022.

Chairman’s Statement

I am pleased to report the audited financial statements to shareholders for the period ended 30 June 2022.

During the period, ACP Energy listed on the Standard Main Market of the London Stock Exchange on January 28, 2022, having raised a total of £830,000 (before expenses) following ACP Energy’s successful initial public offering (“IPO”).

Since this time, the Company has been active in reviewing numerous opportunities in the upstream oil and gas sector focusing on production and development assets, as outlined in the Company’s IPO Prospectus.

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 made by shareholders.

Outlook

The period since the Company’s IPO has been characterised by significant geopolitical, economic and market volatility. However, we are encouraged by the resilience in energy prices and remain positive on the medium-term outlook. We believe that the current environment will provide a number of interesting opportunities and are actively engaged in identifying and completing an acquisition with significant potential to create value for shareholders.

I would like to thank all shareholders for the support they have shown for the Company’s IPO and we look forward to sharing our progress in the near future.

Paul Welch
Executive Chairman
7 October 2022

Notice of Annual General Meeting

The Company's Annual General Meeting ("AGM") will be held on 10 November 2022 at 1.00 pm at 13 Hanover Square, London, W1S 1HN. Further details are set out in the notice of AGM, which will be available on the Company’s website, www.acpenergyplc.com, shortly and will be sent to Shareholders later today.

For further information:

www.acpenergyplc.com

ACP Energy

Paul Welch, Chairman

Celicourt Communications +44 208 434 2643 / acpenergy@celicourt.uk

Mark Antelme / Jimmy Lea

The Directors present the Strategic Report of the Company for the period ended 31 March 2022.

Review of business and future developments

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.

Company Objectives

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

The Company will focus on opportunities within the upstream oil and gas industry, such as appraisal, development or production of oil and gas, particularly projects with identified oil and/or natural gas 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 does not have any specific Acquisition target under consideration. 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).

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 upstream oil and natural gas 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 upstream oil and gas 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 a 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 or workover 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.

- 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 hydrocarbon producing jurisdictions with established oil and gas 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 oil and gas 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.

Following completion of the Acquisition, the objective of the Company is to be involved in the operation of the acquired business. The Company envisions opportunities will be available to it by taking an active role in the management through operational improvements, capacity expansions or funding working capital. Operational management may provide superior insight into a particular sector or operating region allowing value accretive complementary acquisitions to be made.

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

Principal risks and uncertainties

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 that may not 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 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 identified an Acquisition target 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 for an Acquisition if the target is sufficiently large or 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.
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RISKS ASSOCIATED WITH NATURAL RESOURCES SECTOR

Industry-specific risks

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

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 the price of oil and gas, 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.

Production and development risks

Oil and gas production and development in which the Board intends to focus is by its nature 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 oil and gas properties are affected by many general factors including the cost of operations, availability of drilling equipment, reserve and resources estimates, volatility of prices for oil and gas, 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. Production and development of gas 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

Key performance indicators

Bank and cash controls:
Bank reconciliations are prepared at least monthly and reviewed by the Board. All major items of expenditure are agreed by the Directors in advance.

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.

These risks were covered from page 14 and 26 of our IPO Prospectus.

Capital Resources and Returns Management

The Company has raised gross proceeds of £830,000 from the Placing and Subscription. The Directors believe that, following an Acquisition, further equity capital raisings may be required by the Company for working capital purposes as the Company pursues its future objectives. Given that the anticipated operating costs of the Company will be minimal, the Company does not envisage that further funding will be required prior to an Acquisition.

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 to 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.

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.at to do so is in accordance with all applicable laws.

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 QCA Code recommends that the Company separates the roles of chairman and executive director. At the date of this Document, the Chairman is Mr Paul Welch who is an executive director. 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;

- Subject to the performance of the Company, the Directors may, conditional on substantially growing the Group, seek to transfer the Company from a Standard Listing to either a Premium Listing or other appropriate listing venue, based on the track record of the Company and subject to fulfilling the relevant eligibility criteria at the time. If the Company is successful in obtaining a Premium Listing or other appropriate listing, further rules will apply to the Company under the Listing Rules and Disclosure Guidance and Transparency Rules and the Company will be obliged to comply or explain any derogation from the UK Corporate Governance Code. In order to implement its business strategy, as at the date of this Document, the Company has adopted the corporate governance structure set out below

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.

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.

Responsibility statement

This statement is being made by the Chairman Mr. Paul Welch and to the best of his knowledge:

a. the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, and
b. the management report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face.

Section 172 Statement

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 upstream oil and gas 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 28th January 2022. Following admission, the Company is now focused on identifying acquisition opportunities in its chosen sector.

The interests of the company's employees: Our employees are fundamental to us achieving our long-term strategic objectives.

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.

Anti-corruption and anti-bribery policy: The Company and its management recognise and acknowledge the responsibility under English law to promote success of the Company for the benefits of its stakeholders. The Company and its management also acknowledge and recognise the responsibility towards partners, suppliers, contractors, investors, lenders and local community in which future operational activities will take place. The Company has four employees, being the directors, all male.

Acts of God and contagious diseases: Acts of God such as seismic activity, flooding, inclement weather and natural disasters more generally, together with outbreaks of highly contagious diseases, are beyond the control of the Company and may adversely affect the economy, infrastructure and livelihood of people in the countries in which the Company is operating or proposing to operate. The Company's business and profitability may be adversely affected should such acts of God and/or outbreaks occur and/or continue.

On behalf of the board

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Mr J Orbell

Director

Date: 7 October 2022

The directors present their annual report and financial statements for the period ended 30 June 2022.

Principal activities

The principal activity of the company is intended to be that of investment in upstream oil and gas assets. The company was incorporated on 8 April 2021 and did not trade in the period.

Results and dividends

The results for the period are set out on page 11.

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

The directors do not recommend payment of a final dividend.

Directors

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

Mr J Orbell	(Appointed 6 May 2021)
Mr S Firth	(Appointed 6 May 2021)
Mr J Tyler	(Appointed 6 May 2021)
Mr P Welch	(Appointed 8 April 2021)

Directors' remuneration for the period was £55,445 which includes an expense of £54,732 relating to share based payments

Directors' interests

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

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

The Company’s capital consists of ordinary shares, which rank pari passu in all respects which 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 Article of Association or restrict the powers of the company’s Directors, including in relating to the issuing or buying back by the company of its shares or any significant agreements to which the company is a party that takes 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 £15,139.

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
Jeffreys Henry LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing a future appointment will be put forward 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 Group's assets are comprised almost entirely of cash. The Directors have outlined their strategy for the Group in the Strategic Report on page 2. As part of their assessment of going concern, the Directors have prepared cash forecasts that show that the Group has sufficient cash resources to execute the Company's strategy.
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
There were no events to disclose.

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 Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the 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.

On behalf of the board

Mr J Orbell

Director

Date: 7 October 2022

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 UK 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.

S**ervice 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
During the period Paul Welsh was the only director that was employed by the company. An accrual of £713 was recognised during the year relating to his fees and there were no other accrual or payments relating to Directors' emolument. A further £54,732 was recognised relating to directors share-based payment expense as follows:

Mr J Orbell	£18,246
Mr S Firth	£Nil
Mr J Tyler	£Nil
Mr P Welch	£36,486

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.

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 January 28 2022, is not paying dividends, is currently in a start-up mode bend 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, Executive Chairman

Date: 7 October 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ACP ENERGY PLC

FOR THE PERIOD ENDED 30 JUNE 2022

Opinion
We have audited the financial statements of ACP Energy Plc (the 'Company') for the period ended 30 June 2022 which comprise the statement of income, the statements of financial position, the statement of cash flows, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards.("IFRS")

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of the loss for the period 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 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.

Conclusions relating to going concern
In auditing the financial statement, 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 reviewing the forecasts covering the going concern period, and ascertaining the latest cash position.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months form when the financial statements are authorised for issue

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

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

- Valuation of share-based payments transactions

These are explained in more detail below:

Key audit matter	How our audit addressed the key audit matter
Valuation of share-based payments transactions The Company provided options to the directors and warrants to non-employee service providers, whereby the external service providers and the directors render services and receive rights to acquire shares of the Company at a specified price.	We undertook the following audit procedures, amongst others: • Compared the terms and conditions for a sample of the options issued during the financial period included in the valuations with appropriate Board

These share-based payment transactions are classified by the Company as an equity-settled share-based payment transactions. The Company valued the options and warrants using the Black Scholes model, where inputs such as volatility, dividend yield, risk-free rate and adjustments for sub-optimal exercises are factored in to derive the valuation of the warrants. These factors are subjective in nature and require management to make judgements on the estimates to be used in the valuation of the warrants. The accounting for share-based payments is a key audit matter because the expense recognised in the financial statements is material in nature and monetary value, the impact on the profit and loss account being a charge of £134,686 for the period and impact on the share premium account being £94,503. There is a risk that the estimates used in the valuation may be inconsistent with the factors surrounding the business, therefore, the valuation may be materially misstated. There is also a risk that the disclosures in the financial statements are not in accordance with IFRSs.	minutes and letters of advice to the service providers. • Compared the option grant date used in the valuations to option certificates and agreements. • Obtained the options valuation workings and assessed the reasonableness of selected inputs used in valuation, agreeing the inputs to publicly available information, where possible. • Assessed attributes, on a sample basis, in respect of the valuation of the warrants. Ascertained whether these attributes were appropriately included in the warrant valuation model, and the expense is recognised over the appropriate vesting period. • Assessed the reasonableness of the fair value calculation through re-performing the calculation using the Black Scholes model. • Evaluated the adequacy of disclosures made by the Company in the financial statements in accordance with the requirements of IFRSs. Based on the audit work carried performed, we are satisfied that the assumptions and judgements used in the valuation of the options and warrants are appropriate, the calculations are free from material misstatement and appropriate disclosures have been made in accordance with IFRSs.

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

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

	Company financial statements
Overall materiality	£14,000
How we determined it	5% of net loss rounded to the nearest £'000
Rationale for benchmark applied	We believe that gross assets are the primary measure used by shareholders in assessing the position and performance of the Company at the end of the period. Gross assets are generally accepted auditing benchmarks.

We agreed with the Board of Directors that we would report to them misstatements identified during our audit above £700 as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

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

<u>How we tailored the audit scope</u>

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

<u>Other information</u>

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

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

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

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Company through discussions with the Directors, and from our commercial knowledge and experience of the sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, including Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental, health and safety legislation and anti-money laundering regulations.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC and the Company's legal advisor.

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

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

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

Other matters which we are required to address

We were appointed by the Board of Directors on 11 August 2022 to audit the financial statements for the period ending 30 June 2022. Our total uninterrupted period of engagement is 1 period, covering the period ending 30 June 2022.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to 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 this report

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

Sanjay Parmar (Senior Statutory Auditor)
For and on behalf of Jeffreys Henry LLP (Statutory Auditors)

Finsgate
5-7 Cranwood Street
London EC1V 9EE

7 October 2022

	Notes	Period ended 30 June 2022 £
Administrative expenses		(144,340)
Exceptional items – share-based payments		(134,686)
Operating (loss)/profit	**4**	(279,026)
Income tax expense	**7**	-
(Loss)/profit and total comprehensive income for the period		(279,026)
Earnings per share	**8**	
Basic		(0.62)
Diluted		(0.62)

ACP ENERGY PLC

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Notes	2022 £
ASSETS		
Current assets		
Trade and other receivables	**10**	40,022
Cash and cash equivalents		599,876
		639,898
Total assets		639,898
EQUITY		
Called up share capital	**17**	93,200
Share premium account	**18**	560,183
Other reserves	**19**	229,189
Retained earnings		(279,026)
Total equity		603,546
LIABILITIES		
Current liabilities		
Trade and other payables	**15**	36,352
Total liabilities		36,352
Total equity and liabilities		639,898

The financial statements were approved by the board of directors and authorised for issue on 7 October 2022 and are signed on its behalf by:

....
Mr J Orbell
Director

Company registration number 13322549

ACP ENERGY PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2022

	Notes	Share capital	Share premium account	Other reserves	Retained earnings	Total
		£	£	£	£	£
Balance at 8 April 2021		-	-		-	-
Period ended 30 June 2022:						
Loss and total comprehensive income for the period		-	-		(279,026)	(279,026)
Transactions with owners in their capacity as owners:						
Issue of share capital	**17**	93,200	560,183		-	653,383
Share-based payments	**19**			229,189		229,189
Balance at 30 June 2022		93,200	560,183	229,189	(279,026)	603,546

ACP ENERGY PLC

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 JUNE 2022

	Notes	£	2022 £
Cash flows from operating activities			
Cash absorbed by operations	**21**		(148,010)
Net cash outflow from operating activities			(148,010)
Financing activities			
Proceeds from issue of shares		890,000	
Share issue costs		(142,114)	
Net cash generated from/(used in) financing activities			747,886
Net increase in cash and cash equivalents			599,876
Cash and cash equivalents at beginning of period			-
Cash and cash equivalents at end of period			599,876

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 Financial Reporting Standards (IFRS) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, 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 directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors have adopted the going concern basis of accounting in preparing the financial statements.

At the end of the period, the Company is in a significant net asset position of £603,546. At 30th June 2022, the Company has a cash balance of £599,876. Based on the forecasted expenditure for the period to 31 October 2023, the Directors are of that the company will have sufficient cash for the foreseeable future.

The Directors are therefore of the opinion that the Company has adequate resources to enable it to continue in operation for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements

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.

1 Accounting policies

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.

1.5 Financial liabilities

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

Other financial liabilities

Other financial liabilities, 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.

1 Accounting policies

1.8 *Employee benefits*

The cost of short-term employee benefits are recognised as a liability and an expense, unless these cost 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 instrument 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 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.

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

1.9 *Foreign exchange*

Transactions in currencies other than pound 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.

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

In the current period, the following new and revised Standards and Interpretations have been adopted by the company and have an effect on the current period or may have an effect on future periods:

IAS 1	Amendments to IAS 1 to clarify the classification of liabilities as current or non-current.

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.

4 Operating loss

	Period ended 30 June 2022
Operating loss for the period is stated after charging/(crediting):	**£**
Fees payable to the company's auditor for the audit of the company's financial statements	15,000

5 Employees

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

	Period ended 30 June 2022
	Number
Directors	4

Their aggregate remuneration comprised:

	Period ended 30 June 2022
	£
Directors emoluments	55,445

6 Directors' remuneration

	Period ended 30 June 2022 £
Remuneration for qualifying services	713
Share based payment expense	54,732

7 Income tax expense

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

	Period ended 30 June 2022 £
Loss before taxation	(279,026)
Expected tax credit based on a corporation tax rate of 19.00%	(53,015)
Effect of expenses not deductible in determining taxable profit	25,590
Change in unrecognised deferred tax assets	27,425
Taxation charge for the period	-

The excess management expenses carried forward at 30 June 2022 were £144,342.

8 Earnings per share

	Period ended 30 June 2022 Number
Number of shares	
Weighted average number of ordinary shares for basic earnings per share	44,996,347

	Period ended 30 June 2022 £
Earnings (all attributable to equity shareholders of the company)	
Continuing operations	
Loss/profit for the period from continued operations	(279,026)
	Pence per share
Basic and diluted earnings per share	
From continuing operations	(0.62)

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.

9 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.

10 Trade and other receivables

	2022
	£
VAT recoverable	21,097
Prepayments	18,925
	40,022

11 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.

12 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.

13 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	Total
	£	£	£
At 30 June 2022			
Trade payables	15,139	-	15,139
Accruals	-	21,213	21,213
	15,139	21,213	36,352

13 Liquidity risk

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.

14 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.

15 Trade and other payables

	2022
	£
Trade payables	15,139
Accruals	21,213
	36,352

16 Deferred taxation

No deferred tax asset has been recognised in respect of the excess management expenses amounting to £144,342 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.

17 Share capital

	2022	**2022**
Ordinary share capital	**Number**	**£**
Issued and fully paid		
Ordinary shares of 0.2p each	46,600,000	93,200

Reconciliation of movements during the period:

	Ordinary shares Number
At 8 April 2021	-
Issue of fully paid shares	46,600,000
At 30 June 2022	46,600,000

17 Share capital

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 relating to this issue and are deducted from the company's share premium (see note 18). The ordinary shares have full rights in the company with respect to voting, dividends and distributions.

18 Share premium account

	2022 £
At the beginning of the period	-
Issue of new shares	796,800
Share issue expenses	(142,114)
Share-based payments (Note 19)	(94,503)
At the end of the period	560,183

19 Share-based payment transactions

24,998,950 options and 5,548,000 warrants over £0.002 ordinary shares in the Company were issued on 21st January. A further 6,000,000 warrants were issued on 2nd March 2022 in respect of services provided in the reporting period.

The options and warrants issued on 21st January 2022 were in respect of services provided in the period . Therefore, share-based payment expense has been recognised in these financial statements amounting to £229,189. The warrants issued on 2nd March 2022 were in respect of IPO, and expenses totalling £94,503 are deducted from the company’s share premium.
The table below summarises the options granted, exercised and cancelled during the period:

	Number of options 2022	Number of warrants 2022	Weighted average exercise price 2022
Outstanding at 8 April 2021			
Granted in the period	24,998,950.00		0.01
		11,548,000.00	0.0625
Outstanding as at 30 June 2022	24,998,950.00	11,548,000.00	0.02
Exercisable at 30 June 2022	24,998,950.00	11,548,000.00	0.02

The options issued during the period vest on over 3 years on the RTO . The warrants vested on the date of the grant.

19 Share-based payment transactions (Continued)

The weighted average fair value of the options and warrants on the measurement date was £0.0350 and £0.0088 respectively. The weighted average exercise price was £0.01 for options and £0.0625 for warrants.

Inputs were as follows:

	2022		
	Pool 1	**Pool 2**	**Pool 3**
Weighted average share price	0.065	0.065	0.067
Weighted average exercise price	0.01	0.0625	0.0625
Expected volatility	60%	60%	60%
Expected life	2	3	2
Expected dividend yields	-	-	-

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

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.

	2022
	£
Other reserves	
Other reserves arising from share-based payment transactions	229,189
Relates to equity settled share-based payments	94,503

20 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 earnings. 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.

The company is not subject to any externally imposed capital requirements.

21 Cash absorbed by operations

	2022
	£
Loss for the period before income tax	(279,026)
Share based payment expense	134,686
Movements in working capital:	
Increase in trade and other receivables	(40,022)
Increase in trade and other payables	36,352
Cash absorbed by operations	(148,010)