

**INDRA RENEWABLE TECHNOLOGIES LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present their report and the financial statements for the year ended 31 December 2022.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements 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 to 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.

**PRINCIPAL ACTIVITY**

The principal activity of the company is that of the design, development, and manufacture of smart energy solutions for use with electric vehicles. These include the hardware, software, and energy management systems.

**BUSINESS REVIEW**

The Company continues to focus on the development of software and hardware for electric vehicle smart chargers, and during the year achieved success in increasing the commercial sales of its first products. As the world economies began to recover from COVID-19 there was in the first half of the year global shortages of some key components required in the manufacture of the company's products. This resulted in some components having to be secured at a price premium which impacted the margins achieved.

In the latter part of the year such shortages were less common, the high growth of sales decelerated but still the market grew overall.

The research and development activities of the Company were unaffected by COVID-19 and market conditions and made good progress in the advancement of the technologies required to enable bi-directional charging, both its own solutions but in addition working in conjunction with government funded projects.

The Company undertook to raise further equity in order to meet its investment and expansion plans. In anticipation of this it successfully secured funding by a combination of convertible loans and repayable loans from existing shareholders. These were converted and repaid accordingly as a result of the completion of a fundraise in excess of £20m in November 2022.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**DIRECTOR**

The directors who served during the year were:

M Schooling

S Ackroyd

C Nehme

J Tudor

A Moores (appointed 26 May 2022)

J O'Donohue (appointed 26 May 2022)

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks for the Company over the coming period are in common with other businesses in the electric vehicle industry including availability of components, government policies and the overall economic environment for consumers and businesses.

The Company has secured and continues to seek long-term partnerships and relationships which reflect the inevitable growth in renewable technology solutions for transport and energy.

**GOING CONCERN**

The company incurred a loss for the financial year of £8,744,927 and at 31 December 2022 had net current assets of £14,785,193 and net assets of £16,602,216.

The financial statements have been prepared on the going concern basis, which assumes that the company will continue in operational existence and will be able to meet liabilities as they fall due.

The company has trading forecasts that show continuing losses through 2023 and though 2024 but then converting to positive EBITDA and cashflows thereafter in order to meet liabilities as they fall due.

One of the Company's shareholders, Gulf Oil International Ltd entered into a transaction that with its associates acquired the majority of the issued shares in the company and established overall control with effect from 31 July 2023. It recognised in the completion of that transaction the forecast funding requirements of the Company and has indicated that it intends to provide such financial support as may be required for a period of at least twelve months from the date of approval of these financial statements.

However, at the time of issuing the financial statements, there is no formal agreement in place in relation to additional funding, despite the intention to do so. On that basis there exists a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern given the reliance on this. This is reflected in the audit opinion.

**DISCLOSURE OF INFORMATION TO AUDITORS**

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

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

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**AUDITORS**

The auditors, Bishop Fleming LLP, will be considered for reappointment in accordance with section 485 of the Companies Act 2006.

**SMALL COMPANIES NOTE**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

**P Woodfield**

Director

Date: 11 September 2023

Sentinel House  
Sparrowhawk Close  
Malvern  
WR14 1GL

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
<b>FIXED ASSETS</b>			
Intangible assets	6	1,119,966	403,960
Tangible assets	7	697,057	453,931
		<u>1,817,023</u>	<u>857,891</u>
<b>CURRENT ASSETS</b>			
Stocks	8	2,611,421	917,688
Debtors: amounts falling due within one year	9	1,414,728	1,631,536
Cash at bank and in hand		13,392,306	893,839
		<u>17,418,455</u>	<u>3,443,063</u>
Creditors: amounts falling due within one year	10	(2,633,262)	(792,804)
<b>NET CURRENT ASSETS</b>		<u>14,785,193</u>	<u>2,650,259</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>16,602,216</u>	<u>3,508,150</u>
<b>NET ASSETS</b>		<u><u>16,602,216</u></u>	<u><u>3,508,150</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	3,038	2,200
Share premium account	12	28,998,662	9,119,170
Share-Based Payments		1,958,663	-
Profit and loss account	12	(14,358,147)	(5,613,220)
		<u>16,602,216</u>	<u>3,508,150</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**P Woodfield**  
Director

Date: 11 September 2023

The notes on pages 6 to 18 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
<b>At 1 January 2021</b>	<b>1,000</b>	<b>29,460</b>	<b>-</b>	<b>(1,314,860)</b>	<b>(1,284,400)</b>
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>					
Loss for the year	-	-	-	(4,298,360)	(4,298,360)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,298,360)</b>	<b>(4,298,360)</b>
Shares issued during the year	1,200	9,089,710	-	-	9,090,910
<b>At 1 January 2022</b>	<b>2,200</b>	<b>9,119,170</b>	<b>-</b>	<b>(5,613,220)</b>	<b>3,508,150</b>
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>					
Loss for the year	-	-	-	(8,744,927)	(8,744,927)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,744,927)</b>	<b>(8,744,927)</b>
<b>CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS</b>					
Shares issued during the year	838	19,879,492	-	-	19,880,330
Transfer to/from profit and loss account	-	-	1,958,663	-	1,958,663
<b>TOTAL TRANSACTIONS WITH OWNERS</b>	<b>838</b>	<b>19,879,492</b>	<b>1,958,663</b>	<b>-</b>	<b>21,838,993</b>
<b>AT 31 DECEMBER 2022</b>	<b>3,038</b>	<b>28,998,662</b>	<b>1,958,663</b>	<b>(14,358,147)</b>	<b>16,602,216</b>

The notes on pages 6 to 18 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. GENERAL INFORMATION**

Indra Renewable Technologies Limited is a private company, limited by shares, incorporated in England and Wales.

The company's registration number is 08740976 and the registered office is Sentinel House, Sparrowhawk Close, Malvern, WR14 1GL.

The principal activity of the company during the year continued to be that of the design, development and assembly of power electronic products as well as electric vehicle technology, vehicle conversion and integration.

**2. ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

**2.2 GOING CONCERN**

The company incurred a loss for the financial year of £8,744,927 and at 31 December 2022 had net current assets of £14,785,193 and net assets of £16,602,216.

The financial statements have been prepared on the going concern basis, which assumes that the company will continue in operational existence and will be able to meet liabilities as they fall due for the foreseeable future.

The company has trading forecasts which show losses through 2023 and 2024 converting to positive EBITDA and cash flows in the future, driven by forecast growth in revenues.

Following them obtaining effective control post year end, the Directors consider Gulf Oil International Limited to have sufficient working capital facilities in order to provide the necessary support on which the Company is reliant on for the foreseeable future.

Therefore the Directors believe that it is appropriate to prepare the financial statements on a going concern basis. However, as there is no formal guarantee that the additional funding required will be provided, despite the intention to do so, there exists a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the company was unable to continue as a going concern.

**2. ACCOUNTING POLICIES (continued)**

**2.3 FOREIGN CURRENCY TRANSLATION**

**Functional and presentation currency**

The company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**2.4 REVENUE**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**2.5 OPERATING LEASES: THE COMPANY AS LESSEE**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**2. ACCOUNTING POLICIES (continued)**

**2.6 RESEARCH AND DEVELOPMENT**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which is considered to be 2 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Income received from research and development tax credits, where losses have been surrendered, are treated as grant income and are recognised within other operating income in the Statement of Comprehensive Income.

**2.7 INTEREST INCOME**

Interest income is recognised in profit or loss using the effective interest method.

**2.8 FINANCE COSTS**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.9 BORROWING COSTS**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.10 PENSIONS**

**DEFINED CONTRIBUTION PENSION PLAN**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

**2.11 SHARE BASED PAYMENTS**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. ACCOUNTING POLICIES (continued)**

**2.12 TAXATION**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

**2.13 EXCEPTIONAL ITEMS**

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

**2.14 INTANGIBLE ASSETS**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	-	2 years
Other intangible fixed assets	-	4 years

**2.15 TANGIBLE FIXED ASSETS**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Improvements to property	-	17% straight-line
Plant and machinery	-	33-50% straight-line
Motor vehicles	-	25% straight-line
Fixtures and fittings	-	25% straight-line
Computer equipment	-	50% straight-line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**2. ACCOUNTING POLICIES (continued)**

**2.16 STOCK**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.17 DEBTORS**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.18 CASH AND CASH EQUIVALENTS**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.19 CREDITORS**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.20 FINANCIAL INSTRUMENTS**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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3.

**JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual result. Revision to accounting estimates are recognised in the period in which the estimate is revised.

The following are key estimates that the directors have made in the process of compiling the financial statements that have the most significant effect on the accounts recognised.

**Warranty Provision**

The directors use their judgement to determine the extent to which product claims will be made under warranty arrangements, and the proportion of this which will result in costs to the company. The directors utilise historic data and current year sales patterns to determine an estimate of the liability which will crystallise in future periods.

**Share Based Payments**

The directors use their judgment to determine the extent to which share options will vest, as well as the value of the options at grant date. See note 2.11.

4. **EMPLOYEES**

The average monthly number of employees, including directors, during the year was 86 (2021:44).

5. **TAXATION**

The Company has unrelieved tax losses carried forward of £12,955,017 (2021: £5,583,656). No deferred tax asset has been recognised in relation to these losses.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

6. INTANGIBLE ASSETS

	Development expenditure £	Computer software £	Total £
<b>COST</b>			
At 1 January 2022	436,311	102,204	538,515
Additions	1,235,486	5,472	1,240,958
At 31 December 2022	1,671,797	107,676	1,779,473
<b>AMORTISATION</b>			
At 1 January 2022	80,274	54,281	134,555
Charge for the year on owned assets	510,148	14,804	524,952
At 31 December 2022	590,422	69,085	659,507
<b>NET BOOK VALUE</b>			
At 31 December 2022	1,081,375	38,591	1,119,966
At 31 December 2021	356,037	47,923	403,960

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

7. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Motor vehicles £	Fixtures, fittings and computer equipment £	Total £
<b>COST</b>					
At 1 January 2022	313,960	273,064	80,277	101,473	768,774
Additions	140,083	222,427	83,943	150,174	596,627
Disposals	-	-	(80,060)	-	(80,060)
At 31 December 2022	<u>454,043</u>	<u>495,491</u>	<u>84,160</u>	<u>251,647</u>	<u>1,285,341</u>
<b>DEPRECIATION</b>					
At 1 January 2022	111,519	90,816	53,977	58,531	314,843
Charge for the year on owned assets	68,626	161,987	16,526	54,618	301,757
Disposals	-	-	(28,316)	-	(28,316)
At 31 December 2022	<u>180,145</u>	<u>252,803</u>	<u>42,187</u>	<u>113,149</u>	<u>588,284</u>
<b>NET BOOK VALUE</b>					
At 31 December 2022	<u>273,898</u>	<u>242,688</u>	<u>41,973</u>	<u>138,498</u>	<u>697,057</u>
At 31 December 2021	<u>202,441</u>	<u>182,248</u>	<u>26,300</u>	<u>42,942</u>	<u>453,931</u>

8. STOCKS

	2022 £	2021 £
Raw materials and consumables	2,236,485	751,108
Work in progress	91,186	68,906
Finished goods	283,750	97,674
	<u>2,611,421</u>	<u>917,688</u>

The carrying value of stocks are stated net of impairment losses totalling £308,320 (2021: £931,971), which were recognised in profit and loss.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

9. DEBTORS

	2022 £	2021 £
Trade debtors	73,489	748,392
Other debtors	733,677	99,239
Prepayments and accrued income	607,562	783,905
	<u>1,414,728</u>	<u>1,631,536</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	803,234	383,569
Other taxation and social security	126,539	59,629
Other creditors	51,113	17,967
Accruals and deferred income	1,652,376	331,639
	<u>2,633,262</u>	<u>792,804</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**11. SHARE CAPITAL**

	2022 £	2021 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
1,408,000 (2021:1,408,000) Ordinary Shares shares of £0.001 each	<b>1,408</b>	1,408
792,000 (2021:792,000) Series A Shares shares of £0.001 each	<b>792</b>	792
838,000 (2021: NIL) Series B Shares shares of £0.001 each	<b>838</b>	-
	<u><b>3,038</b></u>	<u><b>2,200</b></u>

On 2 November 2022, the company issued 838,000 Series B shares for consideration of £22.27 per share. The consideration in excess of the par value has been recognised as share premium.

On 15 January 2021, the company issues 792,000 Series A shares for consideration of £7.58 per share. On the same date, the company also issued 408,000 Ordinary shares for a consideration of £7.58 per share. The consideration in excess of the par value has been recognised as share premium.

Ordinary shares have full rights in the company with respect to voting, dividends and distributions. These shares are non redeemable.

Series A shares have full rights in the company with respect to voting, hold rights to an 8% fixed cumulative dividend and the greater of the preference amount and pro rata proceeds on sale. These shares are non redeemable.

Series B shares have full rights in the company with respect to voting to greater of 1 x subscription amount or pro-rata proceeds on sale.

**12. RESERVES**

**Share premium account**

The share premium account represents amounts paid in excess of par value for share capital less legal and corporate finance costs incurred.

**Other reserves**

The share-based payment account represents the cost reserved for share options issued.

**Profit and loss account**

The profit and loss account includes all current and prior period retained profits and losses.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**13. SHARE-BASED PAYMENTS**

During the year, the company issued share options under two separate EMI schemes. The shares vest typically over a 3 or 4 year period, or alternatively in full on an 'Exit Event'.

The fair value of each share option granted was measured using entity specific observable market data. The basis for this model was there being sufficient data points both pre and post grant date to ascertain a reasonable estimate of the fair value of the shares.

In valuing the options at the grant date, the company considered:

- Fair value of the shares during two equity fund raises in February 2021 and November 2022
- Development activities within the company's core products
- The external market alongside internal developments
- Economic factors and trends
- Liquidity preferences
- Post balance sheet events disclosed in note 18

The total expense recognised during the year in respect of share-based payments totalled £1,958,663 (2021: £Nil). As at the year end, 40,005 (2021:Nil) options were exercisable.

Subsequent to the year end and disclosed in note 18, there was an 'Exit Event' which triggered the vesting conditions on the share options. However, as at the year end, management's expectations of such an event were greater than this period.

	Weighted average exercise price (£) 2022	Number 2022	Weighted average exercise price (£) 2021	Number 2021
Outstanding at the beginning of the year	0.000	-	0.000	-
Granted during the year	0.001	329,112	0.000	-
Forfeited during the year	0.001	(32,004)	0.000	-
<b>OUTSTANDING AT THE END OF THE YEAR</b>	<b>0.001</b>	<b>297,108</b>	<b>0.000</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**14. PENSION COMMITMENTS**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £161,769 (2021: £78,198). At the year end date, the company had outstanding pension contributions of £18,735 (2021: £7,902).

**15. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	165,970	165,000
Later than 1 year and not later than 5 years	663,880	660,000
Later than 5 years	-	165,000
	<u>829,850</u>	<u>990,000</u>

**16. RELATED PARTY TRANSACTIONS**

During the year, a loan for £2,500,000 from Clean Growth Fund LP and Gulf Oil International Limited accrued interest of £117,137 and £114,938 respectively, and was converted on 02 November 2022 to 127,000 and 127,000 Series B shares respectively.

On 2 November 2022, £15,000,000 was invested by Gulf Oil International Limited in return for 584,000 Series B shares.

During the year, a working capital facility loan for £1,750,000 from OVO Group Ltd accrued interest of £12,219 and was repaid in full. On the provision of this loan facility, OVO Group Ltd was granted an equity warrant for 10,000 ordinary shares.

During the year, purchases of £279,425 (2021: £Nil) were made from Kaluza Ltd, a subsidiary of OVO Group Ltd, of which £154,677 (2021: £Nil) was due at the year-end.

During the year, sales of £164,960 (2021: £Nil) were made to OVO Energy Limited, of which £Nil (2021: £Nil) was due at the year-end.

**17. POST BALANCE SHEET EVENTS**

On 31 March 2023 Gulf Oil International Limited entered into an agreement with OVO Limited and its related party Steve Ackroyd to purchase shares in the Company subject to certain future conditions, which if met would be that Gulf Oil International Ltd together with its associates would have effective control of the Company. This agreement was completed on 31 July 2023 at which point a change of control of the Company occurred.

The change of control met the conditions for a sale of the Company as defined in the EMI Options Agreement granted to a number of employees. These employee options vested in full and were exercised in full by the option holders who then became shareholders in the Company.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**18. AUDITORS' INFORMATION**

The auditors' report on the financial statements for the year ended 31 December 2022 was unqualified.

In their report, the auditors emphasised the following matter without qualifying their report:

We draw attention to note 2.2 in the financial statements, which indicates that the company is reliant on continued support from its new beneficial owner following the post balance sheet events disclosed in note 17.

This support has been stated and it is our understanding the support will be given but is not yet guaranteed at the point of issuing our audit opinion.

As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, 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.

The audit report was signed on 12 September 2023 by Gary Woodhall ACA (Senior statutory auditor) on behalf of Bishop Fleming LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.