STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

FOR

ALTERATION EARTH PLC

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2023

DIRECTORS:	M P Beardmore M D Samworth A Coull
SECRETARY:	S W Holden
REGISTERED OFFICE:	C/O Keystone Law 48 Chancery Lane London WC2A 1JF
REGISTERED NUMBER:	13571750 (England and Wales)
AUDITORS:	PKF Littlejohn LLP 15 Westferry Circus London E14 4HD
SHARE REGISTRARS:	Share Registrars Limited 27/28 Eastcastle Street London WIW 8DH

CHAIRMAN'S REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2023

I have pleasure in presenting the financial statements of Alteration Earth PLC ("Company") which cover the Company's reporting period for the year ended 30 September 2023.

The Company is on the standard list of the main market of the London Stock Exchange and continues to be actively focused on acquiring an interest, in whole or in part, in clean technology and/or clean energy businesses.

The Company was formed to undertake an acquisition of a controlling interest in a company or business ("an Acquisition"). Any Acquisition is expected to constitute a reverse takeover transaction and consideration for the Acquisition may be in part or in whole in the form of share-based consideration or funded from the Company's existing cash resources or the raising of additional funds.

The Company announced on 1 August 2023 that it has entered into non-binding heads of terms for a proposed acquisition which remains subject to legal, financial and due diligence and entry into a legally binding agreement before the proposed acquisition may proceed to completion. Since the date of the announcement in August the parties have been in discussions but they have not yet progressed to any binding agreement for the transaction. Discussions are ongoing but progress is slower than originally anticipated while the parties seek feedback from prospective financial partners.

Financial

Funding
During the financial period, the company spent £243k on administrative costs and at 30 September 2023 held cash of £828k. The Company raised £1,260k before admission costs during the prior period ended 30 September 2022 and at 30 September 2022 held £1,070k cash in its balance sheet.

Revenue
The Company has generated no revenue during the period. However, it is focussing on acquisition targets that will ultimately generate revenue and/or capital gains for the Company.

Liquidity, cash and cash equivalents
At 30 September 2023, the Company held £828k (2022: £1,070k) of cash all of which is denominated in pounds sterling.

Board contribution
I would like to thank the Board for its contribution to the successful admission and ongoing work it undertakes.

....
M Samworth - Director

11 December 2023

STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2023

The directors present their strategic report for the year ended 30 September 2023.

Understanding our business
The Company was incorporated on 18 August 2021, with the purpose of pursuing an admission of its securities onto the London Stock Exchange through a Standard Listing in order to pursue its business strategy.

The Company's business strategy is to undertake an acquisition of a target company, business or asset(s) in the clean technology and/or clean, green and renewable energy ("CGRE") sector in the UK or outside. This could include physical assets and/or companies, businesses or assets with technology and/or services relevant to the CGRE sector. The Company has announced a proposed acquisition, subject to legal, financial and due diligence, legally binding agreement and completion.

Due to listing rule changes implemented in December 2021 by the Financial Conduct Authority regarding the criteria relevant to the admission of cash shells on to the Standard Market segment of the LSE, the Company is required to enact a Reverse Take Over ("RTO") transaction with a value greater than £30m. If the Company completes an RTO at a lower valuation it will need to relist on the Alternative Investment Market (AIM) at completion of the RTO.

KEY PERFORMANCE INDICATORS
Appropriate key performance indicators will be identified in due course as the business strategy is implemented following a successful acquisition. Given the current nature of the Company's business, the Directors are of the opinion that the primary performance indicator is the completion of an acquisition.

PRINCIPAL RISKS AND UNCEPRTAINTIES
The principal risks currently faced by the Company relate to:

* Suitable Acquisition Opportunity Identified may not be Completed

The Company's business strategy is dependent on the ability of the Directors and their external advisors to identify and complete a suitable acquisition opportunity. If the Directors do not complete the target acquisition, the Company may not be able to fulfil its objectives. Furthermore, the Company may not be able to acquire the target business at a suitable price or at all. In addition, if acquisition of the target, or any other subsequent target acquisition, is aborted the Company may be left with substantial transaction costs which may severely impact the Company's ability to complete a further acquisition opportunity. The Directors review abort costs against the Company's available funds as a going concern and take appropriate action to ensure the Company has sufficient funding.

* Acquiring Less than Controlling Interests

The Company may acquire either less than whole voting control of, or less than a controlling equity interest in, a target, which may limit the Company's operational strategies and reduce its ability to enhance Shareholder value. The Directors shall consider the viability of such an outcome against their mandate and if appropriate may not complete a transaction.

* Inability to Fund Operations Post-Acquisition

The Company may be unable to fund the operations post acquisition of the target business if it does not obtain additional funding, however, the Company will endeavour to ensure that appropriate funding measures are taken to meet ensure minimum commitments on completion of an acquisition. The Directors shall consider the potential post-acquisition funding requirement at the time of an acquisition and shall communicate such requirement to the parties proposing to fund the acquisition.

* The Company's Relationship with the Directors and Conflicts of Interest

The Company is dependent on the Directors and their external advisors to identify potential acquisition opportunities and to execute an acquisition.

The Directors are not obliged to commit their whole time to the Company's business; they will allocate a portion of their time to other businesses which may lead to the potential for conflicts of interest in their determination as to how much time to assign to the Company's affairs. The Directors are obliged to disclose any conflict of interest and the Board of Directors shall take appropriate action to resolve any conflict.

* Risks Inherent in an Acquisition

Although the Company and the Directors will evaluate the risks inherent in a particular target, they cannot offer any further assurance that all the significant risk factors can be identified or properly assessed. Furthermore, no assurance can be made that an investment in Ordinary Shares in the Company will ultimately prove to be more favourable to investors then a direct investment, if such an opportunity were available, in a target business. The Directors shall make appropriate disclosure to potential investors in any investment memorandum.

PRINCIPAL RISKS AND UNCEPRTAINTIES - continued

* Reliance on External Advisors

The Directors expect to rely on external advisors to help identify and assess potential acquisitions and there is a risk that suitable advisors cannot be placed under contract or that such advisors that are contracted fail to perform as required. The Directors shall take all reasonable steps to procure and received appropriate advice prior to proceeding with any acquisition.

* Failure to Obtain Additional Financing to Complete an Acquisition

There is no guarantee that the Company will be able to obtain any additional financing needed to complete an acquisition, and if available, to obtain such financing on terms attractive to the Company. In that event, the Company may be compelled to restructure or abandon the acquisition or proceed with the acquisition on less favourable terms, which may reduce the Company's return on the investment. The failure to secure additional financing on acceptable terms could have a material adverse effect on the continued development or growth of the Company and the acquired business. The Directors shall consider these risks and make appropriate disclosure to potential investors in any investment memorandum. The Company manages its liquidity risk on the basis set out in note 12.

* Reliance on Income from the Acquired Activities

Following an acquisition, the Company may be dependent on the income generated by the acquired business or from the subsequent divestment of the acquired business to meet the Company's expenses. If the acquired business is unable to provide the sufficient funds to the Company, the Company may be unable to pay its expenses or make distributions and dividends on the Ordinary Shares. The Directors shall consider the income and cash flow forecasts of the acquisition target and make appropriate adjustment and disclosure to potential investors in any investment memorandum.

* Restrictions in Offering Ordinary Shares as Consideration for an Acquisition or Requirements to Provide Alternative Consideration.

In certain jurisdictions, there may be legal, regulatory or practical restrictions on the Company using its Ordinary Shares as consideration for an acquisition or which may mean that the Company is required to provide alternative forms of consideration. Such restrictions may limit the Company's acquisition opportunities or make a certain acquisition more costly, which may have an adverse effect on the results of operations of the Company. The Directors shall consider the fundamental nature of this risks on the viability of acquisition and shall make appropriate disclosure to potential investors in any investment memorandum.

Gender Analysis
A split of our employees and directors by gender and average number during the period is shown below:

Directors: Male 3 Female Nil

SECTION 172(1) STATEMENT

The Directors believe they have acted in the way they considered in good faith, that would most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006, and in doing so have had regard to:

- The likely consequences of any decision in the long term;

- The need to act fairly between the members of the Company;

- The desirability of maintaining the Company's reputation for high standards of business conduct;

- The need to foster the Company's relationships with advisor's suppliers, and others; and

- The impact of the Company's operations on the community and the environment.

The Board recognise that their primary role is the representation and promotion of shareholders' interests. The Board makes every effort to understand the interests and expectations of the shareholders and other stakeholders, and to reflect these in the choices it makes in its effort to create long-term sustainable value. Governed by the Companies Act 2006, the Company has adopted the Quoted Companies Alliance Corporate Governance Code 2018 (the "QCA Code"). The Board recognises the importance of maintaining a good level of corporate governance which, together with the requirements of a main market listing, ensures that the interest of the company's stakeholders are safeguarded.

As a Company, the Board seriously considers its ethical responsibilities to the communities and environment.

In order to fulfil their duties under section 172 and promote the success of the Company for the benefit of all its stakeholders, the directors need to ensure that they not only act in accordance with the legal duties but also engage with, and have regard for, all its stakeholders when taking decisions. The Company has a number of key stakeholders that it is committed to maintaining a strong relationship with. Understanding the Company's stakeholders and how they and their interests will impact on the strategy and success of the Company over the long term is a key factor in the decisions that the Board make.

Shareholders

The promotion of the success of the Company is ultimately for the benefit of the Company's shareholders who provide the Company's permanent capital. As a company listed on the London Stock Exchange, the Company is responsible for ensuring that it is aware of shareholder needs and expectations. The Directors attach great importance to maintaining good relationships with all of its shareholders and interested parties and seeks to ensure that they have access to correct and adequate information in a timely fashion. The Directors are aware that as stakeholders, its shareholders play a vital role in the fabric of the Company and therefore will regularly engage in dialogue with the Company's shareholders and be available for meetings with institutional and major shareholders following the release of the Company's Annual and Interim Results. The Directors welcome all shareholders to make contact with the Company and provide any feedback or comments that they may have, and contact details are available on the Company's website. The Company's Annual General Meeting is also an important opportunity for shareholders to meet and engage with Directors and ask questions on the Company and its performance.

Regulatory Bodies

As the Company is listed on the Standard Segment of the Main Market of the London Stock Exchange it therefore actively engages with various regulatory bodies and advisory firms to ensure that compliance standards are maintained and that the Company continues to act with the high standards of business conduct that have established its reputation thus far.

Suppliers and Advisors

The Company's suppliers and advisors are integral to the day to day operation of the Company. Relationships with suppliers and advisors are carefully managed to ensure that the Company is always obtaining value for money. The Company seeks to ensure that good relationships are maintained with its supplier.

Other stakeholders and the wider community

The Directors are committed to ensuring that none of its activities have a detrimental impact on the wider community and the environment.

CORPORATE SOCIAL RESPONSIBILITY

We aim to conduct our business with honesty, integrity and openness, respecting human rights and the interests of our shareholders and employees. We aim to provide timely, regular and reliable information on the business to all our shareholders and conduct our operations to the highest standards.

We will strive to create a safe and healthy working environment for the wellbeing of our future staff and create a trusting and respectful environment, where all members of staff are encouraged to feel responsible for the reputation and performance of the Company.

We aim to establish a diverse and dynamic workforce with team players who have the experience and knowledge of the business operations and markets in which we operate. Through maintaining good communications, members of staff are encouraged to realise the objectives of the Company and their own potential.

The Board would like to take this opportunity to thank our shareholders, Board and advisors for their support during the period.

ON BEHALF OF THE BOARD:

....
M P Beardmore - Director

Date: ....

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

The directors present their report with the financial statements of the company for the year ended 30 September 2023.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of identifying potential companies or assets for acquisition in furtherance of its business strategy.

DIVIDENDS
No dividends will be distributed for the year ended 30 September 2023.

EVENTS SINCE THE END OF THE YEAR
There are no significant events of the Company subsequent to period end.

DIRECTORS
The directors set out in the table below have held office during the whole of the period from 1 October 2022 to the date of this report.

The beneficial interests of the directors holding office at 30 September 2023 in the shares of the company, according to the register of directors' interests, were as follows:

	30.9.23	1.10.22
Ordinary shares of 0.003 each		
M P Beardmore	400,000	400,000
M D Samworth	-	-
A Coull	-	-

These directors did not hold any non-beneficial interests in the shares of the company.

The Company has no Director shareholder requirements.

M P Beardmore and M D Samworth each also hold 450,000 warrants which can be exercised at any time within the 5 years from the date of readmission of the ordinary shares of the Company to a trading on a recognised stock exchange following an Acquisition by the Company.

All of the directors were reappointed at the first Annual General Meeting held on 2 February 2023.

FINANCIAL INSTRUMENTS
The Company has exposure to credit risk, liquidity risk and market risk. Note 12 presents information about the Company's exposure to these risks, along with the Company's objectives, processes and policies for managing the risks.

POLITICAL DONATIONS AND EXPENDITURE
The Company made no political donations during the period.

DISCLOSURE AND TRANSPARENCY RULES
Details of the Company's share capital and warrants are given in Notes 9 and 18 respectively. There are no restrictions on transfer or limitations on the holding of the ordinary shares. None of the shares carry any special rights with regard to the control of the Company. There are no known arrangements under which the financial rights are held by a person other than the holder and no known agreements or restrictions on share transfers and voting rights.

As far as the Company is aware there are no persons with significant direct or indirect holdings other than the Directors and other significant shareholders as shown on pages 7 and 8.

The provisions covering the appointment and replacement of directors are contained in the Company's articles, any changes to which require shareholder approval. There are no significant agreements to which the Company is party that take effect, alter or terminate upon a change of control following a takeover bid and no agreements for compensation for loss of office or employment that become effective as a result of such a bid.

Requirements of the Listing Rules
Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable 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 9.8.4.

Directors' Indemnity Provisions
The Company enters into annual insurance contracts for directors' indemnity insurance.

SHARE CAPITAL

Details of the Company's issued share capital, together with details of the movements during the period, are shown in Note 9. The Company has one class of Ordinary Share and all shares have equal voting rights and rank pari passu for the distribution of dividends and repayment of capital.

Substantial shareholdings

At 30 November 2023 the Company had been informed of the following substantial interests over 3% of the issued share capital of the Company.

	Number of shares	%age of issued capital
Primorus Investments Plc	5,000,000	27.70
Rupert Labrum	2,850,000	15.83
Christopher Hansen	800,000	4.40
Kevin Lyon	718,000	3.98
Sebastian Marr	718,000	3.98
Clive Roberts	718,000	3.98
Tony Elliot	714,000	3.96
Jade Elliot	714,000	3.96

GOING CONCERN

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Further details are given in note 2 to the financial statements. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

INTERNAL FINANCIAL CONTROL

Financial controls have been established so as to provide safeguards against unauthorised use or disposition of the assets, to maintain proper accounting records and to provide reliable financial information for internal use. Key financial controls include:

* the maintenance of proper records;
* a schedule of matters reserved for the approval of the Board;
* evaluation, approval procedures and risk assessment for acquisitions; and
* close involvement of the Directors in the day-to-day operational matters of the Company.

Shareholder Communications

The Company uses its corporate website (http://www.altearthplc.com) to ensure that the latest announcements, press releases and published financial information are available to all shareholders and other interested parties.

The AGM is used to communicate with both institutional shareholders and private investors and all shareholders are encouraged to participate.

The Directors welcome all shareholders to make contact with the Company and provide any feedback or comments that they may have, and contact details are available on the Company's website. The Company's Annual General Meeting is also an important opportunity for shareholders to meet and engage with Directors and ask questions on the Company and its performance.

Directors Remuneration Report

At such time upon completion of an acquisition, a remuneration committee may be appointed to reassess an appropriate level of Directors' remuneration and it is envisaged that the remuneration policy be amended so as to attract, retain and motivate Executive Directors and senior management of a high calibre with a view to encouraging commitment to the development of the Company and for long term enhancement of shareholder value. The Board believes that share ownership by Executive Directors strengthens the link between their personal interests and those of shareholders although there is no formal shareholding policy in place.

INTERNAL FINANCIAL CONTROL - continued

Directors' Remuneration (audited)

	30.09.2023	30.09.2022
	£	£
M P Beardmore	15,000	3,750
R H M Horner	-	3,750
M D Samworth	15,000	-
Total	30,000	7,500

The remuneration disclosed above is the charge for the current period in respect of the fair value of share warrants issued to the directors: no other remuneration was paid or due.

The Company does not contribute to any pension scheme or provide any other benefit in kind for the directors.

Service contracts
There are no Directors' service contracts in place. The Company does not yet have a Chief Executive “CEO” and as such, no CEO disclosure has been presented.

STATEMENT OF CORPORATE GOVERNANCE

As a company whose shares are listed on the Standard Segment of the London Stock Exchange's main market for listed securities, the Company is not required to comply with the provisions of the UK Corporate Governance Code. However, 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. At present, due to the size of the Company, the Directors acknowledge that adherence to certain provisions of the QCA Code will be delayed until such time as the Directors are able to fully adopt them, which is likely to take place on the completion of an acquisition.

As stated by the QCA Code, good corporate governance is about "having the right people (in the right roles), working together, and doing the right things to deliver value for shareholders as a whole over the medium to long-term". This is achieved through a series of decisions made by the Board, which needs to be kept dynamic, diverse and engender a consistent corporate culture throughout the Company.

To see how the Company addresses the key governance principles defined in the QCA Code, please refer to the Corporate Governance section of our website at the following link: https://altearthplc.com/corporate-governance/

Board of Directors
The Board currently consists of three non-executive Directors. It met regularly throughout the period to discuss key issues and to monitor the overall performance of the Company. With a Board comprising of just the three non-executive Directors, all matters and committees, such as Remuneration, Audit and Nominations are considered by the Board as a whole. The Directors will actively seek to expand Board membership to provide additional levels of corporate governance procedures at the appropriate time.

The Board seeks to present a balanced and understandable assessment of the Company's position and prospects in all interim, final and price-sensitive reports and information required to be presented by statute. The Directors consider the size of the Company and the close involvement of non-executive Directors in the day-to-day operations makes the maintenance of both an Audit Committee and an internal audit function unnecessary. The Directors will continue to monitor this situation.

External auditor
The Board will meet with the auditor at least twice a year to consider the results, internal procedures and controls and matters raised by the auditor. The Board considers auditor independence and objectivity and the effectiveness of the audit process. It also considers the nature and extent of the non-audit services supplied by the auditor reviewing the ratio of audit to non-audit fees and ensures that an appropriate relationship is maintained between the Company and its external auditor.

The Company has a policy of controlling the provision of non-audit services by the external auditor in order that their objectivity and independence are safeguarded. As part of the decision to recommend the appointment of the external auditor, the Board takes into account the tenure of the auditor in addition to the results of its review of the effectiveness of the external auditor and considers whether there should be a full tender process. There are no contractual obligations restricting the Board's choice of external auditor.

STATEMENT OF CORPORATE GOVERNANCE - continued

Nominations committee
A nominations committee has not yet been established.

Remuneration Committee
There is no separate Remuneration Committee at present, instead all remuneration matters are considered by the Board as a whole. It meets when required to consider all aspects of directorship's remuneration, share options, share warrants and service contracts.

From the outset the Board has set out and implemented a policy designed in its view to attract, retain and motivate executive Directors of the right calibre and ability. There have been no major changes during the period either in that policy or its implementation, including levels of remuneration and terms of service for the Directors.

GREENHOUSE GAS (GHG) EMISSIONS
The Company is aware that it needs to measure its operational carbon footprint in order to limit and control its environmental impact. However, since the Company, due to its limited activities and lack of office or operations in the period under review, did not consume more than 40,000kWh of energy, the Company's emissions are not disclosed for this reason.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
Statement of Directors' Responsibilities in respect of the Annual Report and the financial statements.

The Directors are responsible for preparing this report and the financial statements in accordance with applicable United Kingdom 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 UK-adopted international accounting standards. 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 for that period. In preparing these financial statements, the Directors are required to:

* select suitable accounting policies and then apply them consistently;

* make judgements and estimates that are reasonable and prudent;

* present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;

* state whether they have been prepared in accordance with UK-adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements; and

* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Company financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. 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.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations, and for ensuring that the Annual report includes information required by the Listing Rules of the Financial Conduct Authority.

The financial statements are published on the Company's website (http://www.altearthplc.com).The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The Directors confirm that to the best of their knowledge:

* the Company financial statements, prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company;

* this Annual Report includes the fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces; and

* the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide information necessary for shareholders to assess the Company's performance, business and strategy.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITORS
The auditors, PKF Littlejohn LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

....
M P Beardmore - Director

Date: ....

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ALTERATION EARTH PLC

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 cash flow forecasts prepared by management for the period up to 31 December 2024 for reasonableness by agreeing the forecasts to corroborating evidence and challenging management in relation to the key inputs and assumptions used in the forecasts;
- Stress testing management's forecasts by comparing actual results for the period to historical forecasts to assess management's ability and accuracy of forecasting. ;
- Reviewing post year end regulatory news service (RNSs) announcements and board minutes; and
- Assessing the adequacy of going concern disclosures within the annual report and financial statements.

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 from 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.

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. The materiality for the financial statements as a whole applied to the financial statements of the company was £20,000 based on 2.5% of net assets. We consider net assets to be the most relevant performance indicator for a special-purpose acquisition company that has no trade and a low volume of transactions during the period.

Performance materiality was set at 60% of the overall materiality levels. We use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes.

We agreed with the Board of Directors that we would report all audit differences identified during the course of our audit in excess of £1,000 as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

Our approach to the audit

I In designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we addressed the risk of management override of internal controls, including evaluation of whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.n our opinion, based on the work undertaken in the course of the audit:

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.

Key Audit Matter	How our scope addressed this matter
Management Override	
Under ISA (UK) 240 "The Auditor's responsibility responsibilities relating to consider fraud in an audit of financial statements", there is a presumed significant risk of management override of the system of internal controls. Due to low volume of transactions during the period and direct involvement of management in the operations, there is a potential risk of manipulation of financial results.	Our work in this area included, but was not limited to: • A review of journals processed during the period under review and in the preparation of the financial statements to determine whether these were appropriate. • A review of key estimates, judgements and assumptions within the financial statements for evidence of management bias, and agreeing to appropriate supporting documentation. In this context we view the key estimates as being fair value of the share based payments. • An assessment of whether the financial results and accounting records include any significant or unusual transactions where the economic substance is not clear. Key observation: Based on our procedures performed, we did not identify any instances of management override.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from the Companies Act 2006, the London Stock Exchange listing rules, and UK taxation laws.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
    - Enquiries of management;
    - Review of minutes of board meetings;
    - Review of (RNSs) announcements; and
    - Review of legal and professional fees to understand the nature of the costs and the existence of any non-compliance with laws and regulations.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. 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 6 July 2022 to audit the financial statements for the period ending 30 September 2022 and subsequent financial periods. Our total uninterrupted period of engagement is two years, covering the periods ending 30 September 2022 to 30 September 2023.

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

Use of our report

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

Daniel Hutson (Senior Statutory Auditor)
for and on behalf of PKF Littlejohn LLP
Statutory Auditor
15 Westferry Circus
London
E14 4HD

Date: 11 December 2023

ALTERATION EARTH PLC

INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	Year ended 30.9.23 £	Period 18.8.21 to 30.9.22 £
CONTINUING OPERATIONS			
Revenue		-	-
Administrative expenses		(273,415)	(143,128)
OPERATING LOSS		(273,415)	(143,128)
LOSS BEFORE INCOME TAX	4	(273,415)	(143,128)
Income tax	5	-	-
LOSS FOR THE YEAR		(273,415)	(143,128)
Earnings per share expressed in pence per share:	6		
Basic		(1.52)	(3.53)

The notes form part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Year ended 30.9.23 £	Period 18.8.21 to 30.9.22 £
LOSS FOR THE YEAR	(273,415)	(143,128)
OTHER COMPREHENSIVE INCOME		
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(273,415)	(143,128)

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
30 SEPTEMBER 2023

	Notes	2023 £	2022 £
ASSETS			
CURRENT ASSETS			
Trade and other receivables	7	25,800	15,411
Cash and cash equivalents	8	828,215	1,069,939
		854,015	1,085,350
TOTAL ASSETS		854,015	1,085,350
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	9	54,000	54,000
Share premium	10	941,522	941,522
Other reserves	10	217,500	187,500
Retained earnings	10	(416,543)	(143,128)
TOTAL EQUITY		796,479	1,039,894
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	57,536	45,456
TOTAL LIABILITIES		57,536	45,456
TOTAL EQUITY AND LIABILITIES		854,015	1,085,350

The financial statements were approved by the Board of Directors and authorised for issue on 11 December 2023 and were signed on its behalf by:

....
M P Beardmore - Director

ALTERATION EARTH PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Called up share capital £	Retained earnings £	Share premium £	Other reserves £	Total equity £
Changes in equity					
Issue of share capital	54,000	-	1,206,000	-	1,260,000
Cost of share issue	-	-	(264,478)	-	(264,478)
Total comprehensive income	-	(143,128)	-	187,500	44,372
Balance at 30 September 2022	54,000	(143,128)	941,522	187,500	1,039,894
Changes in equity					
Total comprehensive loss	-	(273,415)	-	30,000	(243,415)
Balance at 30 September 2023	54,000	(416,543)	941,522	217,500	796,479

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	Year ended 30.9.23 £	Period 18.8.21 to 30.9.22 £
Cash flows from operating activities			
Cash generated from operations	1	(241,724)	(78,583)
Net cash from operating activities		(241,724)	(78,583)
Cash flows from financing activities			
Share issue		-	54,000
Share premium		-	1,206,000
Cash costs of share issue		-	(111,478)
Net cash from financing activities		-	1,148,522
(Decrease)/increase in cash and cash equivalents		(241,724)	1,069,939
Cash and cash equivalents at beginning of year	2	1,069,939	-
Cash and cash equivalents at end of year	2	828,215	1,069,939

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	Year ended 30.9.23 £	Period 18.8.21 to 30.9.22 £
Loss before income tax	(273,415)	(143,128)
Non cash costs share based payments	30,000	34,500
	(243,415)	(108,628)
Increase in trade and other receivables	(10,389)	(15,411)
Increase in trade and other payables	12,080	45,456
Cash generated from operations	(241,724)	(78,583)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 30 September 2023

	30.9.23 £	1.10.22 £
Cash and cash equivalents	828,215	1,069,939

Period ended 30 September 2022

	30.9.22 £	18.8.21 £
Cash and cash equivalents	1,069,939	-

1. STATUTORY INFORMATION

Alteration Earth Plc (the 'Company') was incorporated on 18 August 2021 in England and Wales, with registered number 13571750 under Companies Act 2006. The registered office of the company is c/o Keystone Law, 48 Chancery Lane, London, WC2A 1JF. The Company is a public limited company and was admitted to the Standard Listing Segment of the London Stock Exchange on 1 July 2022. The principal activity of the Company is to undertake an acquisition of a controlling interest in a company or business in the Clean, Green, Renewable Energy (CGRE) sector.

2. ACCOUNTING POLICIES

Basis of preparation
These financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently for all periods presented in these Financial Statements. The Financial Statements are prepared in pounds Sterling and presented to the nearest pound.

Going concern
The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

The Company has no revenue but has cash resources to finance activities whilst it identifies and completes suitable transaction opportunities. When a suitable transaction is identified, the Directors will consider the need for further funding to complete the transaction.

Having considered forecasts, the Directors consider that the Company has sufficient funds available to continue in operational existence for at least 12 months from the date of approval of these accounts. Accordingly, the Board believes it appropriate to adopt the going concern basis in the approval of the financial statements.

Accounting standards
There are no new standards, amendments and interpretations adopted by the Company.

New standards and interpretations not yet adopted
A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 October 2022 and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

Accounting Standards		**Effective period commencing on or after**
Amendments to existing standards		
Annual Improvements	IFRS 1, IFRS 9, IFRS 16 and IAS 41 (Amendments) Annual Improvements to IFRS standards 2018-2020	1 Jan 2022
IAS 8	IAS 8:30 Entity has not applied a new IFRS that has been issued but is not yet effective, and IAS 8:31 In complying with IAS 8:30, consider disclosures relating to new IFRS.	1 Jan 2022
IAS 37	IAS 37 (Amendment) Onerous contracts - Costs of fulfilling a contract	1 Jan 2022

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2. **ACCOUNTING POLICIES - continued**

New standards, interpretations and amendments not yet effective

IAS 1	IAS 1 (Amendments) Classification of liabilities and current or non-current	1 Jan 2023
IAS 1 and IFRS Practice Statement 2	Amendment - disclosure of accounting estimates	1 Jan 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 Jan 2023
IAS 8	Definition of Accounting Estimates	1 Jan 2023

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Critical accounting judgements and key sources of estimation uncertainty
In the process of applying the entity's accounting policies, management makes estimates and assumptions that have an effect on the amounts recognised in the financial information. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Apart from share based payments and share issue costs discussed below the Directors consider that there are no other critical accounting judgements or key sources of estimation uncertainly relating to the financial information of the Company.

Cash and cash equivalents
Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly-liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

In the presentation of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts. Any such overdrafts are shown within borrowings under ‘current liabilities’ on the Statement of Financial Position.

Financial instruments recognition
A financial asset or financial liability is recognised in the statement of financial position of the Company when it arises or when the Company becomes part of the contractual terms of the financial instrument.

Classification

Financial assets at amortised cost
The Company measures financial assets at amortised cost if both of the following conditions are met:

(1) the asset is held within a business model whose objective is to collect contractual cashflows; and

(2) the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortised cost, are measured using the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

continued...

2. **ACCOUNTING POLICIES - continued**

Financial liabilities at amortised cost
Financial liabilities measured at amortised cost using the effective interest rate method include current borrowings and trade and other payables that are short term in nature. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate ("EIR"). The EIR amortisation is included as finance costs in profit or loss. Trade payables other payables are non-interest bearing and are stated at amortised cost using the effective interest method.

Derecognition
A financial asset is derecognised when:

(1) the rights to receive cash flows from the asset have expired, or

(2) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement? and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment
The Company recognises a provision for impairment for expected credit losses regarding all financial assets. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the Company expects to receive. Regarding trade receivables, the Company applies the IFRS 9 simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk. To measure expected credit losses, trade receivables and contract assets have been grouped based on shared risk characteristics.

Taxation

Tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income and 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 balance sheet date.

Deferred tax is recognised 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 initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 realised. Deferred tax is charged or credited to profit or loss, 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 there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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2. **ACCOUNTING POLICIES - continued**

Foreign currency translation
The financial information is presented in Sterling which is the Company's functional and presentational currency.

Transactions in currencies other than the functional currency are recognised at the rates of exchange on the dates of the transactions. At each balance sheet date, monetary assets and liabilities are retranslated at the rates prevailing at the balance sheet date with differences recognised in the Statement of comprehensive income in the period in which they arise.

Equity
Share capital is determined using the nominal value of shares that have been issued.

The Share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

Equity-settled share-based payments are credited to a share-based payment reserve as a component of equity until related options or warrants are exercised or lapse.

Accumulated losses include all current and prior period results as disclosed in the income statement.

Share Based Payments
Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at date of grant. The fair value so determined is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. Fair value is measured using the Black Scholes pricing model. The key assumption used in the model have been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Share based payments: share warrants
The Company issued warrants to the lead investor and two directors on 1 July 2022. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at date of grant. The fair value so determined is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. Fair value is measured using the Black Scholes pricing model. The key assumption used in the model have been adjusted, based on management's best estimate of the vesting period and volatility.

Share Issue costs
The costs of share issues are charged against the share premium account. Where the share issue costs are incurred concurrently with another activity such as a stock market admission and/or an issue of a prospectus or admission document then the costs of these activities can be difficult to quantify separately and therefore reliance is placed on management's best estimate of the split of the costs.

Loss per share
Basic loss per share is calculated as the profit or loss attributable to equity holders of the Company for the period, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Segmental reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board as a whole.

Identifying and assessing investment projects is the only activity the Company is involved in and is therefore considered as the only operating/reporting segment. Therefore, the financial information of the single segment is the same a set out in the statement of comprehensive income and statement of financial position.

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3. EMPLOYEES AND DIRECTORS

	Year ended 30.9.2023 £	Period 18.8.21 to 30.9.2022 £
Directors' remuneration: fair value of warrants granted	30,000	7,500

4. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging:

	Year ended 30.9.23 £	Period 18.8.21 to 30.9.22 £
Auditors' remuneration	34,167	25,000

5. INCOME TAX

Analysis of tax expense
No liability to UK corporation tax arose for the year ended 30 September 2023 nor for the period ended 30 September 2022.

A reconciliation of the tax charge / credit appearing in the income statement to the tax that would result from applying the standard rate of tax to the results for the period is:

	30.09.2023 £	30.09.2022 £
Loss for the period	(273,415)	(143,128)
Tax credit at the Company's effective rate of corporation tax of 22%	(60,151)	(27,194)
Impact of losses disallowed for tax purposes	6.600	13,360
Effect of tax losses available for carry forward against future profits	53,551	13,834
	-	-

The Company's unutilised tax losses carried forward at 30 September 2023 amounted to £316,525 (2022: £72,810). A deferred tax asset has not been recognised due to uncertainty over the timing of the utilisation of the losses.

Effective corporate tax rate

The standard rate of corporation tax in the UK from 1 April 2023 is 25%, prior to which the rate was 19%. Accordingly, the Company's effective rate of corporation tax for the period was 22% (2022: 19%).

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6. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Reconciliations are set out below.

	Earnings £	2023 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(273,415)	18,000,000	-1.52
Effect of dilutive securities	-	-	-

	Earnings £	2022 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(143,128)	4,048,901	-3.53
Effect of dilutive securities	-	-	-

Diluted EPS are not separately calculated as the warrants would be anti-dilutive due to the loss, the weighted average number of shares including the dilution shares is 20,700,000 (2022: 4,723,901).

7. TRADE AND OTHER RECEIVABLES

	2023 £	2022 £
Current:		
Prepayments	25,800	15,411

8. CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Bank accounts	828,215	1,069,939

continued...

9. CALLED UP SHARE CAPITAL

	No of shares	Share Capital	Share Premium	Total
Issued on Incorporation	£	£	£	£
Ordinary shares of £0.001 each	2	0.002	-	0.002
Issued on 23 November 2021	4	0.004	-	0.004
Consolidation of shares on 29 November 2021 to £0.003 each	2	0.006	-	0.006
Issued on 1 July 2022 at £0.04 each seed price	8,999,998	27,000	333,000	360,000
Issued on 1 July 2022 at £0.10 each subscription price	9,000,000	27,000	873,000	900,000
As at 30 September 2022	18,000,000	54,000	1,206,000	1,260,000
As at 30 September 2023	18,000,000	54,000	1,206,000	1,260,000

The Company has only one class of share. All ordinary shares have equal voting rights and rank pari passu for the distribution of dividends and repayment of capital.

10. RESERVES

	Retained earnings £	Share premium £	Other reserves £	Totals £
At 1 October 2022	(143,128)	941,522	187,500	985,894
Loss for the year	(273,415)			(273,415)
Share based payments charges	-	-	30,000	30,000
At 30 September 2023	(416,543)	941,522	217,500	742,479

11. TRADE AND OTHER PAYABLES

	2023 £	2022 £
Current:		
Trade creditors	-	10,036
Other creditors	-	9,020
Accrued expenses	57,536	26,400
	57,536	45,456

continued...

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments comprise primarily of bank balances. The main purpose of these financial instruments is to provide working capital for the Company's operations. The Company does not utilise complex financial instruments or hedging mechanisms. The company is not trading nor carrying out any business activities and therefore has not disclosed in this note below all of the disclosure items set out in IFRS7 as they are not considered material and relevant to its current status.

Financial assets by category

	30.09.2023	30.09.2022
Current assets	£	£
Cash and cash equivalents	828,215	1,069,939
Categorised as financial assets measured at amortised cost	828,215	1,069,939

Financial liabilities by category

	30.09.2023	30.09.2022
Current liabilities	£	£
Other payables	-	9,020
Accruals	57,536	36,436
Categorised as financial liabilities measured at amortised cost	57,536	45,456

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company does not have trading activities during the current period and is not exposed to a risk from counterparties not meeting their obligations.

Capital management
The Company considers its capital to be equal to the sum of its total equity. The Company monitors its capital using a number of key performance indicators including cash flow projections, working capital ratios, the cost to achieve development milestones and potential revenue from partnerships and ongoing licensing activities.

The Company's objective when managing its capital is to ensure it obtains sufficient funding for continuing as a going concern. The Company funds its capital requirements through the issue of new shares to investors.

Interest rate risk
The nature of the Company's activities and the basis of funding are such that the Company will have significant liquid resources. The Company will use these resources to meet the cost of operations.

The Company is not financially dependent on the income earned on these resources and therefore the risk of interest rate fluctuations is not significant to the business and the Directors have not performed a detailed sensitivity analysis

Liquidity risk
The Company's liquid resources are invested having regard to the timing of payment to be made in the ordinary course of the Company's activities. All financial liabilities are payable in the short term (between 0 to 3 months) and the Company maintains adequate bank balances to meet those liabilities. The directors have considered the Company's cash flows for a period of 12 months from the date of approval of these financial statements and do not consider that the Company is subject to any significant liquidity risk.

Currency risk
The Company operates in a global market with income and costs possibly arising in a number of currencies. The majority of the operating costs are incurred in £GBP. The Company does not hedge potential future income or costs, since the existence, quantum and timing of such transactions cannot be accurately predicted. The Company did not have foreign currency exposure at period end.

continued...

13. CONTINGENT LIABILITIES

There were no contingent liabilities at either 30 September 2023 or 2022.

14. CAPITAL COMMITMENTS

There were no capital commitments at either 30 September 2023 or 2022.

15. RELATED PARTY DISCLOSURES

a) Key managerial personnel
M Beardmore is a director of the Company and in the previous financial period had subscribed £28,000 for shares in the Company, he was also granted 450,000 warrants on 1 July 2022 which have been fair valued at £45,000 and the charge for these in the period was £15,000 (2022: £3,750). There were no amounts outstanding between M Beardmore and the Company at 30 September 2023 and 2022.

b) Other related parties
S Holden has been the Company Secretary from incorporation to the date of approval of these financial statements. He subscribed £28,000 for shares in the Company after ceasing to hold office as a director through his wholly owned company Golden Sky Advisory Limited (GSAL). GSAL has provided consultancy services of S Holden to the Company from the 1 July 2002 and those totalled £36,000 (2022: £9,000) inclusive of VAT during the period. There was no amount owing by the Company to GSAL at 30 September 2023 (2022: £9,000).

Primorus Investments PLC (Prim) had a 27.78% stake in the Company on its Admission to the LSE standard Listing segment and it underwrote the costs of the Admission. Prim subscribed £350,000 for shares in the Company. It also advanced £21,552 to the Company to re-imburse certain of the Company's Admission costs and this sum was repaid to Prim post Admission. Prim was granted 1,800,000 warrants on 1 July 2022 which were fair valued in the previous financial period at £180,000 and fully charged in the period. There were no amounts outstanding between Prim and the Company at 30 September 2023 and 2022.

Gneiss Energy Limited (GEL) acts as a corporate finance consultant to the Company with effect from 1 July 2022 and has charged a total of £78,000 (2022: £18,000) inclusive of VAT during the period. The charge is for corporate finance advice by GEL and not for director services. A Coull is an employee of GEL and a director of the Company as stipulated in the engagement terms of GEL. There were no amounts outstanding between GEL and the Company at 30 September 2023 and 2022.

16. EVENTS AFTER THE REPORTING PERIOD

There are no significant events of the Company subsequent to the period end.

17. ULTIMATE CONTROLLING PARTY

In the opinion of the directors there was no single ultimate controlling party at either 30 September 2023 or 2022.

continued...

18. SHARE-BASED PAYMENT RESERVE

In the prior period share warrants were granted to two directors who were involved as key management personnel in setting up the Company and formulating its strategy. Warrants were also granted to the lead Investor for their role in underwriting the listing costs and lending support with attracting other investors.
All warrants were issued on the Company's shares being admitted to trading. Exercise dates and exercise prices are shown in this note below. The directors' warrants can only be exercised after an RTO and readmission of the Company's shares. All warrants are settled in the Company's equity.

	30.09.2023	30.09.2022
At 1 October 2022	187,500	-
Charge in the period for fair value of directors' warrants	30,000	7,500
Lead investor warrants granted during the period	-	180,000
At 30 September 2023	217,500	187,500

The charge for directors' warrants was spread over the 3 year period from 1 July 2022 being the date of grant.

The 3 year period was determined by the Company having 2 years from admission plus a possible 1 year extension to agree the terms of a reverse take over and be re-admitted to a recognised stock exchange.

The Company determined the fair value of its share options granted using a model based on the Black-Scholes-Merton methodology. In determining the fair value of its share options granted, the Company made the following assumptions.

Grant Date	Share Price	Exercise Price	Expected Life Years	Expected Volatility	Expected Dividend Yield	Risk Free Interest	Fair Value at Date of Grant
01/07/2022	10p	0.003p	3	404%	0%	2.2%	10p

Expected volatility was determined by reference to historical data for a similar Special Purpose Acquisition Company in the same market sector and listed on the same exchange.

The warrants outstanding at the period end have a weighted average remaining contractual life of 4 years (2022: 5 years). The exercise price of the warrants is £0.003 per share.

As at 30 September 2023 and 2022 there were 2,700,000 warrants outstanding. Details of the warrants outstanding are as follows:

Grant Date	Exercisable from	Expiry Date	Number Outstanding	Exercise Price
01/07/2022	01/07/2022	30/06/2027	1,800,000	0.003p
01/07/2022	see a below	see a below	900,000	0.003p

Warrants are exercisable at any time within the 5 years from the date of readmission of the ordinary shares to trading on a recognised stock exchange following an Acquisition.