

RNS Number : 0485N  
Alteration Earth PLC  
02 May 2024

2 May 2024

## **Alteration Earth PLC**

### **Interim Condensed Financial Statements Half Year to 31 March 2024**

Alteration Earth PLC (the "Company") announces its unaudited interim results for the half year ended 31 March 2024.

Copies of this interim report will be made available on the Company's website [www.altearthplc.com](http://www.altearthplc.com)

#### **Enquiries**

For further information, please visit [www.altearthplc.com](http://www.altearthplc.com) or contact:

#### **Alteration Earth PLC**

Matthew Beardmore

Director

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#### **Interim Management Report**

The Company was formed to undertake an acquisition of a target company or business or asset(s) in the clean technology and/or clean, green and renewable energy sector. The Company's shares began trading on the standard list segment of the London Stock Exchange's ("LSE") main market for listed securities on 1 July 2022. We continue to progress the Company's objectives as outlined in the prospectus dated 17 June 2022.

The Company announced on 1 August 2023 that it has entered non-binding heads of terms for a proposed acquisition which remains subject to legal and financial due diligence and entry into a legally binding agreement before the proposed acquisition may proceed to completion. Whilst discussions and the due diligence exercise continues to be progressed, the parties have not yet progressed to a binding agreement. As reported by the Company on 12 December 2023, progress has been slower than originally anticipated while the parties seek feedback from prospective financial partners.

Whilst the effects of macroeconomic and geopolitical uncertainty throughout 2023 have continued into 2024, having a significant impact on equity capital markets in the United Kingdom, it is hoped that markets will improve during this year. Given the significant levels of public M&A activity which occurred in Q1 2024 in the United Kingdom, which has continued into Q2, it is hoped that this will act as a positive driver for increased equity capital activity which will assist the Company and its partners in progressing fundraising discussions concurrent with the proposed completion of its acquisition.

#### *Principal risks and uncertainties*

The principal risks and uncertainties facing our business are monitored on an ongoing basis. The directors have reviewed the principal risks and uncertainties disclosed in the 2023 Annual Report and concluded that they remain applicable for the first half of the current financial year. A detailed description of these risks and uncertainties is set out on pages 3 to 4 of the 2023 annual report.

**Martin Samworth, Director**

2 May 2024

#### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the interim management report in accordance with applicable law and regulations. The

directors confirm that the interim condensed financial information has been prepared in accordance with International Accounting Standard 34 (*Interim Financial Reporting*) as endorsed for use in the United Kingdom.

The interim management report includes a fair review of the information required by the Disclosure Guidance and Transparency Rules paragraphs 4.2.7 R and 4.2.8 R, namely:

- the interim condensed financial statements, which have been prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position, and profit or loss of the issuer as required by DTR 4.2.4 R;
- an indication of important events that have occurred during the six months ended 31 March 2024 and their impact on the condensed set of financial information; and
- material related-party transactions during the six months ended 31 March 2024 and any material changes in the related-party transactions described in the 2023 Annual Report.

The interim management report was approved by the Board of Directors and the above responsibility statement was signed on its behalf by:

**Matthew Beardmore, Director**

2 May 2024

**Condensed Income Statement and Statement of Other Comprehensive Income for the Period 1 October 2023 to 31 March 2024**

		1 October 2023 to 31 March 2024	1 October 2022 to 31 March 2023
	Notes	£	£
Revenue		-	-
Administration expenses		<u>(151,301)</u>	<u>(129,646)</u>

<b>OPERATING LOSS</b>		<b><u>(151,301)</u></b>	<b><u>(129,646)</u></b>
<b>LOSS BEFORE INCOME TAX</b>		<b><u>(151,301)</u></b>	<b><u>(129,646)</u></b>
Income tax	5	<u>-</u>	<u>-</u>
<b>LOSS AFTER INCOME TAX</b>		<b><u>(151,301)</u></b>	<b><u>(129,646)</u></b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b><u>(151,301)</u></b>	<b><u>(129,646)</u></b>
Loss per share expressed in pence per share:	6		
Basic		(0.84)	(0.72)
Diluted		(0.84)	(0.72)

Notes:

- (i) The Income Statement has been prepared on the basis that all operations are continuing operations.
- (i) The accounting policies and notes form an integral part of these condensed financial statements.

### **Condensed Statement of Financial Position at 31 March 2024**

**(Unaudited)**

	Notes	<b>As at 31 March 2024 £</b>	<b>As at 30 September 2023 £</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Other receivables	7	13,975	25,800
Cash and cash equivalents	8	<u>716,849</u>	<u>828,215</u>
<b>TOTAL CURRENT ASSETS</b>		<b><u>730,824</u></b>	<b><u>854,015</u></b>
<b>TOTAL ASSETS</b>		<b><u>730,824</u></b>	<b><u>854,015</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY ATTRIBUTABLE TO OWNERS</b>			

Share capital	9	54,000	54,000
Share premium	10	941,522	941,522
Other reserves	10	232,500	217,500
Accumulates losses	10	<u>(567,844)</u>	<u>(416,543)</u>
<b>TOTAL EQUITY</b>		<b><u>660,178</u></b>	<b><u>796,479</u></b>
<b>LIABILITIES</b>			
<b>CURRENT</b>			
<b>LIABILITIES</b>			
Trade and other payables	11	<u>70,646</u>	<u>57,536</u>
<b>TOTAL LIABILITIES</b>		<b><u>70,646</u></b>	<b><u>57,536</u></b>
<b>TOTAL EQUITY AND</b>		<b><u>730,824</u></b>	<b><u>854,015</u></b>
<b>LIABILITIES</b>			

The condensed financial statements were approved by the Board of Directors and authorised for issue on 2 May 2024 and were signed on its behalf by:

**Matthew Beardmore, Director**

2 May 2024

**Statement of Changes in Equity**  
**for the Period 1 October 2023 to 31 March 2024**  
**(Unaudited)**

			Called up		
			share	Retained	Share
			capital	earnings	premium
					Oth
					reser
			£	£	£
					£

**Period 1 October 2023 to 31 March 2024**

**Balance at 1 October**

**2023**      54,000      (416,543)      941,522      217,500      796,479

**Deficit for the**

**period**                      -      (151,301)                      -                      -      (151,30

1)

Share based payment reserve	-	-	-	15,000	15,000
<b>Balance at 31 March 2024</b>	<b>54,000</b>	<b>(567,844)</b>	<b>941,522</b>	<b>232,500</b>	<b>660,178</b>

**Period 1 October 2022 to 31 March 2023**

<b>Balance at 1 October 2022</b>	54,000	(143,128)	941,522	187,500	1,039,894
<b>Deficit for the period</b>	-	(129,646)	-	-	(129,646)
Share based payment reserve	-	-	-	15,000	15,000
<b>Balance at 31 March 2023</b>	<b>54,000</b>	<b>(272,774)</b>	<b>941,522</b>	<b>202,500</b>	<b>925,248</b>

**Consolidated Statement of Cash Flows**  
**for the Period 1 October 2023 to 31 March 2024**  
**(Unaudited)**

	Notes	1 October 2023 to 31 March 2024 £	1 October 2022 to 31 March 2023 £
Change in working capital	1	(111,366)	(136,999)
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>(111,366)</b>	<b>(136,999)</b>
Cash and cash equivalents at beginning of period	2	828,215	1,069,939
<b>Cash and cash equivalents at end of period</b>		<b><u>716,849</u></b>	<b><u>932,940</u></b>

**Notes to the Statement of Cash Flows**  
**for the Period 1 October 2023 to 31 March 2024**  
**(Unaudited)**

1. **RECONCILIATION OF LOSS BEFORE INCOME TAX TO CHANGES IN WORKING CAPITAL**

	<b>1 October 2023 to 31 March 2024 £</b>	<b>1 October 2022 to 31 March 2023 £</b>	<b>18 August 2021 to 31 March 2022 £</b>
Loss before income tax	(151,301)	(129,646)	(21,553)
Decrease in trade and other receivables	11,825	2,286	-
Decrease in trade and other payables	13,110	(24,639)	21,553
Non-cash costs share based payments	<u>15,000</u>	<u>15,000</u>	<u>-</u>
<b>Working capital movement</b>	<b><u>(111,366)</u></b>	<b><u>(136,999)</u></b>	<b><u>-</u></b>

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:

<b>Period ended 31 March 2024</b>	<b>31</b>
<b>March 31 March</b>	<b>2024</b>
<b>2023</b>	<b>£</b>
<b>£</b>	
Cash and cash equivalents	<b><u>716,849</u>      <u>932,940</u></b>

**Notes to the Condensed Financial Statements**  
**for the Period 1 October 2023 to 31 March 2024**  
**(Unaudited)**

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.

**Notes to the Condensed Financial Statements - continued**  
**for the Period 1 October 2023 to 31 March 2024**  
**(Unaudited)**

### 2. ACCOUNTING POLICIES - continued

#### 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
<b>Amendments to existing standards</b>		
Annual Improvements	IFRS 1, IFRS 9, IFRS 16 and IAS 41 (Amendments) Annual Improvements to IFRS standards 2018-2020	1 Jan 2023
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 2023
IAS 37	IAS 37 (Amendment) Onerous contracts - Costs of fulfilling a contract.	1 Jan 2023

**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.

**Notes to the Condensed Financial Statements - continued**  
**for the Period 1 October 2023 to 31 March 2024**  
**(Unaudited)**

**2. ACCOUNTING POLICIES - continued**

**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 uncertainty 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.

#### **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.

**Notes to the Condensed Financial Statements - continued**  
**for the Period 1 October 2023 to 31 March 2024**  
**(Unaudited)**

2. **ACCOUNTING POLICIES - continued**

**Financial liabilities at amortised cost - continued**

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.

**Notes to the Condensed Financial Statements - continued**  
**for the Period 1 October 2023 to 31 March 2024**  
**(Unaudited)**

**2. ACCOUNTING POLICIES - continued**

### **Taxation - continued**

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.

### **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.

**Notes to the Condensed Financial Statements - continued**  
**for the Period 1 October 2023 to 31 March 2024**  
**(Unaudited)**

**2. ACCOUNTING POLICIES - continued**

**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 as set out in the statement of comprehensive income and statement of financial position.

**Notes to the Condensed Financial Statements - continued**  
**for the Period 1 October 2023 to 31 March 2024**  
**(Unaudited)**

2. **ACCOUNTING POLICIES - continued**

#### **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.

#### **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.

**Notes to the Condensed Financial Statements - continued**  
**for the Period 1 October 2023 to 31 March 2024**  
**(Unaudited)**

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the period was NIL.

	<b>1 October 2023 to 31 March 2024 £</b>	<b>1 October 2022 to 31 March 2023 £</b>
Directors' remuneration: fair value of warrants granted	<u>15,000</u>	<u>15,000</u>

4. **LOSS BEFORE INCOME TAX**

The loss before income tax is stated after charging:

	<b>1 October 2023 to 31 March 2024 £</b>	<b>1 October 2022 to 31 March 2023 £</b>
Auditors' remuneration:	<u>18,000</u>	<u>17,000</u>

5. **INCOME TAX**

**Analysis of tax expense**

No liability to UK corporation tax arose for the period 1 October 2023 to 31 March 2024 nor for the period 1 October 2022 to 31 March 2023.

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:

	<b>1 October 2023 to 31 March 2024 £</b>	<b>1 October 2022 to 31 March 2023 £</b>
Loss for the period	(151,301)	(129,646)
Tax credit at the Company's effective rate of corporation tax	(37,825)	(24,633)
Impact of losses disallowed for tax purposes	3,750	2,850
Effect of tax losses available for carry forward against future profits	34,075	21,783

**Notes to the Condensed Financial Statements - continued**  
**for the Period 1 October 2023 to 31 March 2024**  
**(Unaudited)**

**5. INCOME TAX - CONTINUED**

**Analysis of tax expense - continued**

The Company's unutilised tax losses carried forward at 31 March 2024 amounted to £452,826 (at 31 March 2023: £187,456). 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 1 October 2023 to 31 March 2024 was 25% (1 October 2022 to March 2023: 19%).

**6. EARNINGS PER SHARE**

Basic EPS 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.

Per-share amount pence	Earnings £	Weight averag numbe of shares	
<b>Basic and Diluted EPS</b>			
Earnings attributable to ordinary shareholders:			
1 October 2023 to 31 March 2024	(151,301)	18,000,000	(0.84)
1 October 2022 to 31 March 2023	(129,646)	18,000,000	(0.72)

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.

#### 7. TRADE AND OTHER RECEIVABLES

	31 March 2024 £	30 September 2023 £
Current: Prepayments	<u>13,975</u>	<u>25,800</u>
	<b><u>13,975</u></b>	<b><u>25,800</u></b>

**Notes to the Condensed Financial Statements - continued**  
**for the Period 1 October 2023 to 31 March 2024**  
**(Unaudited)**

8. CASH AND CASH EQUIVALENTS

	31 March 2024	30 September 2023
	£	£
Bank account	<u>716,849</u>	<u>828,215</u>
	<b><u>716,849</u></b>	<b><u>828,215</u></b>

9. SHARE CAPITAL AND SHARE PREMIUM

	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	<u>9,000,000</u>	<u>27,000</u>	<u>873,000</u>	<u>900,000</u>
As at 31 March 2024	<u>18,000,000</u>	<u>54,000</u>	<u>1,206,000</u>	<u>1,260,000</u>
As at 30 September 2023	<u>18,000,000</u>	<u>54,000</u>	<u>1,206,000</u>	<u>1,260,000</u>

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 2023	(416,543)	941,522	217,500	742,479
Loss for the period	(151,301)	-	-	(151,301)
Share based payments charges	-	-	15,000	15,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

At 31 March 2024	<u>(567,844)</u>	<u>941,522</u>	<u>232,500</u>	<u>660,178</u>
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**Notes to the Condensed Financial Statements - continued**  
**for the Period 1 October 2023 to 31 March 2024**  
**(Unaudited)**

**11. TRADE AND OTHER PAYABLES**

	<b>31 March 2024</b>	<b>30 September 2023</b>
	<b>£</b>	<b>£</b>
Current:		
Trade payables	6,964	-
Accruals	<u>63,682</u>	<u>57,536</u>
	<b><u>70,646</u></b>	<b><u>57,536</u></b>

**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**

	<b>31 March 2024</b>	<b>30 September 2023</b>
	<b>£</b>	<b>£</b>
Current assets		
Cash and cash equivalents	<u>716,849</u>	<u>828,215</u>
Categorised as financial assets measured at amortised cost	<b><u>716,849</u></b>	<b><u>828,215</u></b>

**Financial liabilities by category**

	<b>31 March 2024</b>	<b>30 September 2023</b>
	£	£
Current liabilities		
Trade payables	6,964	-
Accruals	<u>63,682</u>	<u>57,536</u>
Categorised as financial assets measured at amortised cost	<u><b>70,646</b></u>	<u><b>57,536</b></u>

### **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.

**Notes to the Condensed Financial Statements - continued**  
**for the Period 1 October 2023 to 31 March 2024**  
**(Unaudited)**

## **12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - CONTINUED**

### **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.

### **13. CONTINGENT LIABILITIES**

There were no contingent liabilities at either 31 March 2024 or 30 September 2023.

### **14. CAPITAL COMMITMENTS**

There were no capital commitments at either 31 March 2024 or 30 September 2023.

**Notes to the Condensed Financial Statements - continued**  
**for the Period 1 October 2023 to 31 March 2024**  
**(Unaudited)**



## 15. RELATED PARTY DISCLOSURES

### a) Key managerial personnel

M Beardmore is a director of the Company and in a previous financial period 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 1 October 2023 to 31 March 2024 was £7,500 (1 October 2022 to 31 March 2023: £7,500). There are no amounts outstanding between M Beardmore and the Company at 31 March 2024 and at 30 September 2023.

### 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 provides the services of S Holden as Company Secretary to the Company and those totalled £18,000 inclusive of VAT during the period 1 October 2023 to 31 March 2024 (1 October 2022 to 31 March 2023: £18,000). An amount of £6,000 was outstanding between GSAL and the Company at 31 March 2024 (30 September 2023: £ nil).

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 have been fair valued at £180,000 and fully charged in the period. There were no transactions with Prim during the period and no amounts outstanding between Prim and the Company at 31 March 2024 and at 30 September 2023.

Gneiss Energy Limited (GEL) has acted as a corporate finance consultant to the Company with effect from 1 July 2022. GEL invoiced a total of £27,000 inclusive of VAT during the period 1 October 2023 to 31 December 2023 and the Company has accrued £36,000 inclusive of VAT for the period 1 January to 31 March 2024 (1 October 2022 to 31 March 2023: £36,000). 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 other amounts outstanding between GEL and the Company at 31 March 2024 and at 30 September 2023.

**16. EVENTS AFTER THE REPORTING PERIOD**

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

**17. ULTIMATE CONTROLLING PARTY**

In the opinion of the directors there is no single ultimate controlling party at 31 March 2024 and at 30 September 2023.

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