Mast Energy Developments PLC
(Incorporated in England and Wales)
(Registration Number: 12886458)
Share code on the LSE: MAST
ISIN: GB00BMBSCV12
("MED" or "MAST" or "the Company")

Unaudited interim results for the six-month period ended 30 June 2022

Dated 23 August 2022

MAST Energy Developments PLC ('MAST' or the 'Company') (LSE: MAST), the LSE listed and UK-based multi- asset owner and operator in the rapidly growing reserve power market, is pleased to announce its unaudited interim results for the six months ended 30 June 2022.

Overview of key events during the interim period to date:

- Improvement in loss per share for the reporting period, down to 0.36p from 0.45p compared to the previous comparative period.

- Technical and commercial improvements arising from the ongoing optimisation at Pyebridge beginning to yield performance results (see RNS dated 5 July 2022), most notably and recently:

    - Based on the latest available trading data for the month of June 2022, Pyebridge generated Power Sales Revenue Turnover of c. £177,000 which constitutes a 347% month-on-month increase and achieving its targeted operational profit margin of c. 30%.

- Bordesley secured a capacity market contract at the recent 2025 Four-Year -head (T-4) Capacity Market Auction held on 22 February 2022, at an unprecedent high price of £30.59 /Kw/year for a contract tenure of 15 years (see RNS dated 24 February 2022).

- Appointment of new CEO gives renewed impetus and direction to business development.

- Post-reporting period:

    - The Company issued 28,735,632 new MED Shares to its majority shareholder, Kibo Energy PLC ("Kibo") in partial settlement of £1m of the total remaining outstanding amount owing to Kibo, and thereby significantly reducing MED's net debt position (see RNS dated 29 July 2022).

This announcement contains inside information for the purposes of the UK version of the Market Abuse Regulation (EU No. 596/2014) as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 ('UK MAR'). Upon the publication of this announcement, this inside information is now considered to be in the public domain.

ENDS

For further information, and a copy of the interim financial statements, please visit www.med.energy or contact:

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DIRECTORS' STATEMENT

We are pleased to present our unaudited interim results for the six-months ending 30 June 2022.

The Company's activities during the first half of 2022 focused on further operational and technical optimisation of the Pyebridge project, continuation of Bordesley construction and optimisation, and ongoing negotiations for the acquisition of other shovel ready or operating reserve power sites. Post the end of the period under review, the Company is also pleased to welcome its new CEO, Pieter Krugel, to the Board as of 13 July 2022. The announcement of Krugel's appointment can be found in the Company's RNS dated 20 May 2022.

These activities are briefly discussed below; further details can be found in the Company's RNS operational updates during and post the period ending 30 June 2022.

Pyebridge (9 MW operational site)

Following steady-state production reached at the Company's flagship project in November 2021, the opportunity to further enhance the operational efficiency at the site became apparent and MED enacted a comprehensive optimisation programme with its technical and financial advisors. This has resulted in a significant performance improvement at the site. The technical improvements implemented have fed into enhanced key metrics for Pyebridges's Power Purchase Agreement ('PPA') with Statkraft, resulting in a further enhancement of the Pyebridge economics and profitability as outlined in the Company's RNS announcement dated 5 July 2022.

While the site's optimisation is ongoing, the improvements completed to the end of May 2022 have resulted in performance figures for the three-month period of March to May 2022, with electricity generation sales revenue of c. £130,000 and electricity generation output of c. 371 MWh, which equates to an average power sales price of c. £350.4 per MWh sold. This price is around five times higher than the average power sales price at the time of MED's IPO in April 2021.

Based on the latest available trading data for the month of June 2022, Pyebridge generated Power Sales Revenue Turnover of c. £177,000, which constitutes a 347% month-on-month increase and achieving its targeted operational profit margin of c. 30%.

Bordersley (5 MW site in early construction)

Post initiation of construction, the Company continues to investigate ways to optimise the site in light of rising capex costs as a result of the sharp increase in inflation during 2022 to date. In order to proceed to engine installation as provided in the EPC Scope of Works ('SoW'), the Company is currently working with its EPC provider, Clarke Energy Ltd, to investigate whether it can further reduce capital costs and enhance the performance of the project when electricity generation production begins.

With a lucrative capacity market contract secured during the period (see RNS announcement dated 24 February 2022), the Company believes it is worth expending the time and effort to ensure the engine configuration and engineering design is optimised for maximum efficiency to secure the financial viability of the project over the long term. This is particularly important in the present global macro-economic environment of rising inflation and a dynamic UK energy market that is continually evolving.

In parallel with considering the optimal engine configuration for the site, the Company's owner's engineers, Encora Energy, are working with the gas network provider to design the best gas connection route to service the site and ensure it is compatible with the gas pressures and capacity required to fuel the engines. While the gas supply is secured, the design and logistics of the gas connection pipeline to the site faces some particular logistical challenges as it is located in a densely developed urban area in central Birmingham. A section of the current recommended gas connection route passes under and parallel to a canal where the Company is liaising with the Canal & River Trust, and an application for an easement is in process. Meanwhile, the Company is currently completing some ground investigation and bathymetric surveys close to the canal to both ensure suitability for pipeline installation and support its application for the gas pipeline route design that has been submitted.

The Company continues to work with Close Brothers in completing due diligence on the project in preparation for financial close, under the terms of a debt funding previously announced for the project. Due diligence is nearing finalisation and will be complete upon the Company's confirmation of the final engine configuration and approval of the preferred gas pipeline connection route.

Rochdale Power Ltd (4.4 MW site)

Rochdale's development path is well on its way, following the acquisition of the site by MED in August 2021, and after a period of re-evaluation by the Company as to whether it would be optimal to continue to develop the site as a peaking power site or to convert it to a battery site. Preliminary evaluation by the Company and its advisers indicated that it was suitable as a battery site (see RNS dated 7 April 2022), but following the completion of a detailed feasibility study, it has recently become apparent that an appropriate input-output electrical grid connection would be difficult and costly to secure in the short term. As a result of this critical constraint in developing Rochdale as a battery site, the Company has reverted to the development of Rochdale as a peaking power site. Rochdale's development as a gas peaker site is fully back on track and the Company looks forward to providing the market with further development updates in this regard.

Pipeline Sites

The Company is at an advanced stage of negotiation on the acquisition of several key additional reserve power sites, as well as continually monitoring a large portfolio of other available sites, some of which it has already initiated negotiations for purchase with vendors. The next imminent and any further acquisitions will be a significant next step in meeting MED's objective of attaining a generating capacity of 300 MW in production.

Management Changes

The Company welcomes the recent appointment to the Board of Mr. Pieter Krugel, as CEO, following his appointment on 13 July 2022 and as announced in a Company RNS dated 13 July 2022. Mr. Krugel, who previously served as CFO of the Company, brings renewed energy and focus at this critical point in the Company's development and he is wished well in his new role. The Board would also like to express its thanks to its former CEO and founding director of the Company, Mr. Paul Venter, whose strategic vision saw MED through its successful IPO and listing on the LSE as well as its core energy asset acquisitions to date. Mr. Venter will remain on the board as a non-executive director and his continued advice and recommendations to Management will remain a valuable asset.

Financial summary of the MAST Energy Developments PLC Group

The following information is included to highlight the financial performance of the Group for the six months ended.

Description	**Six (6) months ended 30 June 2022 (Unaudited)**	**Fifteen (15) months ended 31 December 2021 (Audited)**	**Six (6) months ended 30 June 2021 (Unaudited)**
Revenue	305,384	3,245	-
Cost of sales	(260,329)	(34,321)	-
Administrative expenses	(307,818)	(767,151)	(275,443)
Listing and capital raising fees	(51,119)	(352,061)	(260,879)
Project dev expenditure	(337,991)	(267,981)	(123,506)
Impairment	-	(300,000)	-

Other income	-	355,659	-
Finance costs	(29,741)	(46,348)	(12,363)
Loss for the period	**(681,614)**	**(1,408,958)**	**(672,191)**

Group revenue is £305,384 for the six-month period ended 30 June 2022, which is mainly derived from Pyebridge at this stage, and is a significant increase in comparison with the previous financial reporting period revenue of £3,245. As the Company's projects and operations continue to move from development to commercial production the growth in revenue is expected to increase exponentially.

The slight overall increase in loss period-on-period, as disclosed in the table above and in the statement of comprehensive income, is mainly owing to the following reasons:

- Increase in cost of sales associated to the increase in revenue in comparison with the previous period, and at this stage a large part of that is fixed and it is expected that due to the ongoing optimisation that the operational profit (i.e., revenue less cost of sales) will increase significantly during the next reporting period;
- Increase in administrative expenses is due mainly to increased professional, legal, management and advisory services rendered during the current interim period in comparison to the previous period; and
- Increase in project development expenditure attributable to the progression of the various underlying projects for the year to date.

There have been no dividends declared or paid during the current interim financial period.

RESPONSIBILITY STATEMENT

The Directors confirm to the best of their knowledge:

a) the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';
b) The interim management report includes a fair review of the information required by:
   - DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the Condensed Consolidated Financial Statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
   - DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

this report contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. These forward-looking statements are not based on historical factors but rather on the director's current expectations and assumptions regarding the Company's future growth. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this financial report and the Company undertakes no obligation to update these forward-looking statements.

Nothing in this financial report should be construed as a profit forecast and the Company cannot assure investors that actual results will be consistent with such forward looking statements

The board of directors all confirm their combined agreement to this statement.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six (6) months ended 30 June 2022 (Unaudited) £	Fifteen (15) months ended 31 December 2021 (Audited) £	Six (6) months ended 30 June 2021 (Unaudited) £
Revenue		305,384	3,245	-
Cost of sales		(260,329)	(34,321)	-
Gross loss		**45,055**	**(31,076)**	**-**
Administrative expenses		(307,818)	(767,151)	(275,443)
Listing and other corporate fees		(51,119)	(352,061)	(260,879)
Project expenditure		(337,991)	(267,981)	(123,506)
Impairment		-	(300,000)	-
Operating loss		**(651,873)**	**(1,718,269)**	**(659,828)**
Other income		-	355,659	-
Finance costs		(29,741)	(46,348)	(12,363)
Loss before tax		**(681,614)**	**(1,408,958)**	**(672,191)**
Taxation		-	-	-
Loss for the period		**(681,614)**	**(1,408,958)**	**(672,191)**
Other comprehensive Income/(loss)		-	-	-
Total comprehensive loss for the period		**(681,614)**	**(1,408,958)**	**(672,191)**
Loss for the period		**(681,614)**	**(1,408,958)**	**(672,191)**
Attributable to the owners of the parent		(681,614)	(1,312,243)	(637,722)
Attributable to the non-controlling interest		-	(96,715)	(34,469)
Total comprehensive loss for the period		**(681,614)**	**(1,408,958)**	**(672,191)**
Attributable to the owners of the parent		(681,614)	(1,312,243)	(637,722)
Attributable to the non-controlling interest		-	(96,715)	(34,469)
Loss Per Share				
Basic loss per share (pence)	6	(0.36)	(0.80)	(0.45)
Diluted loss per share (pence)	6	(0.36)	(0.80)	(0.45)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2021 Restated * (Unaudited)
		£	£	£
Assets				
Non-Current Assets				
Property, plant, and equipment	7	2,929,746	2,897,909	295,860
Intangible assets	8	2,745,273	2,745,273	2,595,000
Goodwill		-	-	300,000
Total non-current assets		**5,675,019**	**5,643,182**	**3,190,860**
Current Assets				
Other receivables		158,235	181,845	11,838
Cash and cash equivalents		784,418	1,805,461	4,283,233
Total current assets		**942,653**	**1,987,306**	**4,295,071**
Total Assets		**6,617,672**	**7,630,488**	**7,485,931**
Equity and Liabilities				
Equity				
Called up share capital	10	188,717	188,717	188,717
Share premium account		11,682,343	11,682,343	11,775,163
Common control reserve		383,048	383,048	383,048
Non-controlling interest acquired		(4,065,586)	(4,065,586)	(4,065,586)
Retained deficit		(5,020,593)	(4,338,979)	(3,942,228)
Attributable to equity holders of the parent		**3,167,929**	**3,849,543**	**4,339,114**
Non-controlling interest		-	-	-
Total Equity		**3,167,929**	**3,849,543**	**4,339,114**
Liabilities				
Non-current Liabilities				
Lease liability		287,721	289,045	296,435
Total Current Liabilities		**287,721**	**289,045**	**296,435**
Current Liabilities				
Loans from related parties	12	2,302,362	2,269,035	2,460,612
Trade and other payables		195,162	259,706	31,951
Other financial liability	13	661,911	960,686	355,397
Lease liability		2,587	2,473	2,421
Total Current Liabilities		**3,162,022**	**3,491,900**	**2,850,382**
Total Liabilities		**3,449,743**	**3,780,945**	**3,146,817**
Total Equity and Liabilities		**6,617,672**	**7,630,488**	**7,485,931**

*** Refer to Note 20 for the restatement of comparative figures**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Common Control Reserve	Capital Contribution Reserve	Non-controlling interest acquired	Retained deficit	Minority interest	Total
	£	£	£	£	£	£	£	£
Balance at 31 December 2020	**104,497**	**2,511,432**	**383,048**	**-**	**-**	**(2,999,648)**	**(273,560)**	**(274,231)**
Total comprehensive loss for the period	-	-	-	-	-	(1,031,301)	(34,470)	(1,065,771)
Shares issued on listing	44,320	4,972,515	-	-	-	-	-	5,016,835
Expenditure settled in shares	2,983	169,727	-	-	-	-	-	172,710
Acquisition of non-controlling interest	36,917	4,028,669	-	-	(4,065,586)	(308,030)	308,030	-
Balance at 31 December 2021	**188,717**	**11,682,343**	**383,048**	**-**	**(4,065,586)**	**(4,338,979)**	**-**	**3,849,543**
Total comprehensive loss for the period	-	-	-	-	-	(681,614)	-	(681,614)
Balance at 30 June 2022	**188,717**	**11,682,343**	**383,048**	**-**	**(4,065,586)**	**(5,020,593)**	**-**	**3,167,929**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Six months ended 30 June 2022	Fifteen months ended 31 December 2021	Six months ended 30 June 2021
	(Unaudited)	(Audited)	(Unaudited)
	£	£	£
Cash flows from operating activities			
Loss for the period before taxation	**(681,614)**	**(1,408,958)**	**(672,191)**
Loss for the period from incorporation to 31 December 2020	-	343,189	-
Loss for the period before taxation	**(681,614)**	**(1,065,769)**	**(672,191)**
Adjustments for non-cash items:			
Non-cash interest accrued	17,198	21,623	-
Depreciation	7,123	9,793	-
Impairment of goodwill	-	300,000	-
Loan waiver – other income	-	(355,397)	-
Cost settled through the issue of shares	-	172,710	-
Other non-cash items	33,327	94,192	132,073
	(623,966)	**(822,848)**	**(540,118)**
Movement in working capital			
Decrease/(Increase) in debtors	34,773	(181,845)	(20,156)
Increase/(Decrease) in creditors	(75,507)	244,999	(104,805)
	(40,734)	**63,154**	**(124,961)**
Net cash outflows from operating activities	**(664,700)**	**(759,694)**	**(665,079)**
Cash flows from investing activities			
Property, plant and equipment acquired	(38,960)	(1,654,239)	-
Intangible assets acquired	-	(150,271)	-
Net cash flows from investing activities	**(38,960)**	**(1,804,510)**	**-**
Cash flows from financing activities			
Proceeds of issue of share capital	-	5,016,835	5,124,500
Lease liability repaid	(1,210)	(2,275)	-
Other financial liabilities repaid	(316,173)	(121,210)	-
Loans from related parties (repaid)/received	-	(523,889)	(176,392)
Net cash flows financing activities	**(317,383)**	**4,369,461**	**4,948,108**
Net increase/(decrease) in cash and cash equivalents	**(1,021,043)**	**1,805,257**	**4,283,029**
Cash and cash equivalents at beginning of period	1,805,461	204	204
Cash and cash equivalents at end of the period	**784,418**	**1,805,461**	**4,283,233**

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

Note 1: General information

MAST Energy Developments PLC ('MAST' or 'MED' or the 'Company') is incorporated in England & Wales as a public limited company. The Company's registered office is located at Salisbury House, London Wall, London, EC2M 5PS.

The principal activity of MAST, through its subsidiaries (together the 'Group'), is to acquire and develop a portfolio of flexible power plants in the UK and become a multi-asset operator in the rapidly growing Reserve Power market.

The Group has acquired its first site (Bordesley) which comprises a 5MW gas-fuelled power generation plant supported by a Grid Connection Offer and a Gas Connection Offer. The second site acquired (Pyebridge) has immediate phased in approach to operate the engines on load with 24/7 availability (subject to planned maintenance) to be synchronous with the terms of the power off-take agreement and be installed as operational in steady state status.

The third site acquired (Rochdale) has planning consent with the capability to be developed as a Reserve Power Gas Reciprocating facility, a hybrid Reserve Power ("RP") and battery site or preferably as a long duration battery storage site due to its unique location with access to both District Network Operator ("DNO") and Private Wire.

Note 2: Statement of Preparation

The condensed consolidated financial statements are prepared on the historical cost basis, unless otherwise stated. The Group's accounting policies used in the preparation of condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2021, except for the adoption of the revenue recognition accounting policies in accordance with IFRS 15, as well as new or amended standards applicable from 1 January 2022, which had no material impact on the condensed consolidated financial statements of the Group.

The condensed consolidated financial statements of the Company have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and Accounting Standard IAS 34, 'Interim Financial Reporting', as adopted by the UK.

The interim report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the period ended 31 December 2021, which has been prepared in accordance with UK-adopted IFRSs, and any public announcements made by MED Plc during the interim reporting period.
The condensed consolidated financial statements of the Group are presented in Pounds Sterling, which is the functional and presentation currency for the Group and its related subsidiaries.

The condensed consolidated financial statements do not represent statutory accounts within the meaning of section 435 of the Companies Act 2016.

The condensed consolidated financial statements have not been audited or reviewed by the Group's auditors; thus no assurance is provided therein.

The Directors acknowledge they are responsible for the fair presentation of these condensed consolidated financial statements.

Note 3: Consolidation

On 14 September 2020, the Company became the legal parent of Sloane Developments Limited following completion of the acquisition ("Acquisition"). The comparative results for the year ended 31 December 2020 represent the consolidated position of Sloane Developments Limited and its Subsidiaries (the Sloane SubGroup) prior to the Acquisition.

The Acquisition of the Sloane SubGroup by MAST Energy Developments PLC is deemed to be outside the scope of IFRS 3 and not considered a business combination as the Acquisition is seen as a common control transaction, following from the fact that Kibo Energy PLC continues to retain control over the Sloane SubGroup subsequent to the disposal of the Sloane SubGroup to MAST Energy Developments PLC.

On this basis, the Directors have developed an accounting policy for the Acquisition, applying the principles set out in IAS 8.10-12, in that the policy adopted is:

- relevant to the users of the financial information.
- more representative of the financial position, performance and cash flows of the Group.
- reflects the economic substance of the transaction, not merely the legal form; and
- free from bias, prudent and complete in all material aspects.

As MAST Energy Developments PLC is only an investment holding company, incorporated for the purposes of raising capital funding for its investee projects, and the majority shareholder before and after the Acquisition continue to be Kibo Energy PLC, the transaction is considered to be a common control transaction, outside the scope of IFRS 3, seen as a capital reorganisation, where predecessor valuation accounting was applied with regard to the incorporation of historic financial information.

Accordingly, the following accounting treatment and terminology has been applied in respect of the acquisition:

- the assets and liabilities of the legal subsidiary, the Sloane SubGroup, are recognised and measured in the Group financial statements at the pre-combination carrying amounts, without reinstatement to fair value.
- the retained earnings recognised in the Group financial statements reflect the retained earnings of the Sloane SubGroup immediately before the Acquisition, being 17 September 2020, are those of the Sloane SubGroup.
- However, the equity structure appearing in the Group financial statements reflects the equity structure of the legal parent (MAST Energy Developments PLC), including the equity instruments issued under the share for share exchange to effect the Acquisition.
- Comparative financial results include are those of Sloane Developments Limited and its Subsidiaries for the 12-month period ended 31 December 2020, as these results are considered the most comparable in nature to the operations of MAST Energy Developments PLC post acquisition.

Note 4: Going concern

The financial results have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

In performing the going concern assessment, the Board considered various factors, including the availability of cash and cash equivalents; data relating to working capital requirements for the foreseeable future; cash-flows from operational commencement, available information about the future, the possible outcomes of planned events, changes in future conditions, the current global economic situation due to the Covid-19 pandemic and Ukraine conflict and the responses to such events and conditions that would be available to the Board.

The Board has, inter alia, considered the following specific factors in determining whether the Group is a going concern:

- The total comprehensive loss for the six-month period ended 30 June 2022 of £681,614 (fifteen-month period ended 31 December 2021 of £1,408,958).
- Cash and cash equivalents readily available to the Group in the amount of £784,418 in order to pay its creditors and maturing liabilities in the amount of £3,162,022 as and when they fall due and meet its operating costs for the ensuing twelve months; and
- Whether the Group has available cash resources, or equivalent short term funding opportunities in the foreseeable future, to deploy in developing and growing existing operations or invest in new opportunities.

Following from the losses incurred in the current financial period, coupled with the net current liability position the Group finds itself in as at 30 June 2022, these conditions, together with those mentioned above are considered to indicate that a material uncertainty exists which may cast significant doubt on the Groups ability to continue as a going concern.

This is largely attributable to its short-term liquidity position the Group finds itself in as a result of the staggered implementation approach with regard to the underlying operations, to a point where they can positively contribute to the cash requirements of the larger Group.

The Directors have evaluated the Groups liquidity requirements to confirm whether the Group has adequate cash resources to continue as a going concern for the foreseeable future, taking into account the net current liability position, and consequently prepared a cash flow forecast covering a period of 12 months from the date of these condensed consolidated financial statements, concluding that the Group would be able to continue its operations as a as a going concern.

In response to the net current liability position, to address future cash flow requirements, detailed liquidity improvement initiatives have been identified and are being pursued, with their implementation regularly monitored in order to ensure the Group is able to alleviate the liquidity constraints in the foreseeable future.

Therefore, the ability of the Group to continue as a going concern is dependent on the successful implementation or conclusion of the below noted matters in order to address the liquidity risk the Group faces on an ongoing basis.

- Successful conclusion of funding requirements of the Group in order to complete construction of the remaining sites by the Group.
- Successful commissioning of the remaining power generation facilities in order to achieve net-cash positive contributions toward the larger Group; and
- Successful negotiations with Kibo Mining (Cyprus) Limited relating to the potential deferral of loans payable in the foreseeable future beyond a 12-month period after year end.

As the Board is confident it would be able to successfully implement the above matters, it has adopted the going concern basis of accounting in preparing the condensed consolidated financial statements.

Note 5: Segmental Reporting

The Group discloses segmental analysis based on its different operations, being Bordersley, Rochdale and Pyebridge.

30 June 2022	**Bordersley**	**Rochdale**	**Pyebridge**	**Treasury and Investment**	**Group**
	(£)	**(£)**	**(£)**	**(£)**	**(£)**
Revenue	-	-	305,384	-	305,384
Cost of sales	-	-	(260,329)	-	(260,329)
Depreciation	(7,042)	-	-	(81)	(7,123)
Loss before tax	(182,661)	(42,704)	(57,832)	(398,417)	(681,614)
Total assets	**3,008,424**	**250,652**	**2,600,853**	**746,580**	**6,617,672**
Total liabilities	**(320,559)**	**(26,682)**	**(103,103)**	**(2,988,234)**	**(3,449,743)**

31 December 2021	**Bordersley**	**Rochdale**	**Pyebridge**	**Treasury and Investment**	**Group**
	(£)	**(£)**	**(£)**	**(£)**	**(£)**
Revenue	-	-	3,245	-	3,245
Cost of sales	-	-	(34,321)	-	(34,321)
Impairment	-	-	-	(300,000)	(300,000)
Depreciation	(9,793)	-	-	-	(9,793)
Loss before tax	65,821	(15,906)	(88,527)	(1,370,346)	(1,408,958)
Total assets	**3,087,261**	**261,454**	**2,491,666**	**1,790,107**	**7,630,488**
Total liabilities	**(107,542)**	**(5,570)**	**(50,240)**	**(3,617,410)**	**(3,780,762)**

As the Group currently operates solely from the United Kingdom, consequently there is no segmented disclosure with regard to different geographic areas of operation.

Note 6: Loss per share

Basic loss per share
The basic loss and weighted average number of ordinary shares used for calculation purposes comprise the following:

Basic loss per share	**30 June 2022 (£)**	**31 December 2021 (£)**	**30 June 2021 (£)**
Loss for the period attributable to equity holders of the parent	(681,614)	(1,312,243)	(637,722)
Weighted average number of ordinary shares for the purposes of basic loss per share	188,717,097	164,622,838	140,260.301
Basic loss per ordinary share (pence)	(0.36)	(0.80)	(0.45)

The Group has no dilutive instruments in issue as at year end.

Note 7: Property, plant and equipment

	Land	**Plant & Machinery**	**Right of use assets**	**Computer Equipment**	**Total**
Cost	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**
Opening Cost as at 1 January 2021	**-**	**-**	**-**	**-**	**-**
Additions	602,500	2,011,409	293,793	-	2,907,702
Closing Cost as at 31 December 2021	**602,500**	**2,011,409**	**293,793**	**-**	**2,907,702**
Additions	-	36,012	-	2,948	38,960
Closing Cost as at 30 June 2022	**602,500**	**2,047,421**	**293,793**	**2,948**	**2,946,662**

	Land	**Plant & Machinery**	**Right of use assets**	**Computer Equipment**	**Total**
Accumulated Depreciation ("Acc Depr")	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**
Opening Acc Depr as at 1 January 2021	-	-	-	-	-
Depreciation	-	-	(9,793)	-	(9,793)
Closing Acc Depr as at 31 December 2021	**-**	**-**	**(9,793)**	**-**	**(9,793)**
Depreciation	-	-	(7,042)	(81)	(7,123)
Acc Depr as at 30 June 2022	**-**	**-**	**(16,835)**	**(81)**	**(16,916)**

	Land	**Plant & Machinery**	**Right of use assets**	**Computer Equipment**	**Total**
Carrying Value	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**
Carrying value as at 31 December 2021	602,500	2011,409	284,000	-	2,897,909
Carrying value as at 30 June 2022	602,500	2,047,421	276.958	2,867	2,929,746

The Group has one lease contract for land it shall utilise to construction a 5MW gas-fuelled power generation plant. The land is located at Bordersley, Liverpool St. Birmingham.

The lease of the land has a lease term of 20 years, with an option to extend for 10 years which the Group has opted to include due to the highly likely nature of extension as at the time of the original assessment.

The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group's incremental borrowing is 8.44%.

Note 8: Intangible assets

Intangible assets consist of separately identifiable assets or intellectual property (Bordersley Power) acquired either through business combinations or through separate asset acquisitions. These intangible assets are recognised at the respective fair values of the underlying asset acquired, or where the fair value of the underlying asset acquired is not readily available, the fair value of the consideration.

The following reconciliation serves to summarise the composition of intangible assets as at period end:

	Rochdale Power (£)	Bordersley Power (£)	Total (£)
Carrying value as at 1 January 2021	**-**	**2,595,000**	**2,595,000**
Acquisition of Rochdale Power Ltd	150,273		150,273
Carrying value as at 31 December 2021	**150,273**	**2,595,000**	**2,745,273**
Acquisitions	-	-	-
Carrying value as at 30 June 2022	**150,273**	**2,595,000**	**2,745,273**

Sloane Developments Limited ("Sloane") initially acquired a direct 100% equity interest in shovel-ready reserve power generation project, Bordersley, which will comprise a 5MW gas-fuelled power generation plant for the consideration of £175,000 settled through the issue of shares.

Thereafter, Soane acquired all of St. Anderton on Vaal's direct and indirect interests ("Royalty Agreements"), via the Company's 100% subsidiary, Sloane, in the Bordersley power project described above giving it a 100% economic and 100% equity interest in Bordersley. Consideration for the Bordersley Acquisition consists of the allotment and issue of 46,067,206 ordinary shares in the capital of Kibo Energy PLC ("Kibo") to St. Anderton at an issue price of £0.0525 per share and payable in five tranches ('Consideration Shares') such that the full consideration is only payable in the event that Bordersley is progressively derisked.

The issue price of the Consideration Shares and the associated number to be issued to St. Anderton was determined by using the methodology set out in the original MED vendor agreement as guidance, and was calculated as c. £2,420,000 comprising:

- 100% of the net present value of the Project Royalties (being the royalty equal to 5% of the gross revenue less gas and trading costs) amounting to c. £370,000; and
- 40% of the net present value of the Project Revenue (being net profit before tax) flowing to St. Anderton from Bordersley through MED amounting to c. £2,050,000.

Note 9: Acquisition of interests in other entities

Bordersley Power Ltd - 2019
Sloane initially acquired an indirect 100% equity interest in shovel-ready reserve power generation project, Bordersley, which will comprise a 5MW gas-fuelled power generation plant for the consideration of £175,000 settled through the issue of shares.

Thereafter, Sloane acquired all of St' Anderton's direct and indirect interests (Royalty Agreements) in the Bordersley power project described above giving it a 100% economic and 100% equity interest in

Bordersley (the 'Acquisition'). Consideration for the Acquisition consists of the allotment and issue of 46,067,206 ordinary shares in the capital of Kibo to St. Anderton at an issue price of £0.0525 per share and payable in five tranches ('Consideration Shares') such that the full consideration is only payable in the event that Bordersley is progressively derisked.

As there were no separately identifiable assets and/or liabilities acquired, the purchase price was allocated toward the Intellectual Property acquired, in the amount of £2,595,000.

Pyebridge Power Ltd - 2021

Sloane Developments (Sloane) acquired a 100% equity interest in Pyebridge Power Limited ("Pyebridge") for £2,500,000 in cash which is settled as follows:

- An initial £1,485,500 to be paid in cash at completion date on the 10th of August 2021;
- Repayment of the loan outstanding of £14,500 by Sloane to Pyebridge;
- Deferred consideration of £1,000,000 to be paid in two tranches 8 months and 12 months respectively from the date of completion.

The acquisition of Pyebridge comprise of the following:

- An installed and commissioned synchronous gas-powered standby generation facility; and
- The land on which the gas-powered facility stands.

The acquisition of land and gas-powered generation facility will be accounted for as assets purchased at consolidated level, and not as a business combination in accordance with IFRS 3. Therefore, the purchase price has been allocated between land and the PPE based on their respective fair values as at the date of acquisition.

Rochdale Power Ltd - 2021

Sloane Developments (Sloane) acquired a 100% interest in Rochdale Power Limited ("Rochdale"), from Balance Power Projects Limited, for the installation of a 4.4 MW flexible gas power project in Dig Gate Lane, Rochdale, OL 16 4NR. The acquisition purchase price totals £240,273 of which the freehold site amounts to £90,000 excluding VAT and the property rights amount to £150,273. The acquisition purchase price is to be paid in cash. The freehold site purchased is the property at Dig Gate Lane, Kingsway Business Park, Rochdale, OL16 4NR.

The acquisition of land and gas-powered generation facility will be accounted for as assets purchased at consolidated level, and not as a business combination in accordance with IFRS 3. Therefore, the purchase price has been allocated to the property, plant and equipment and intangible assets.

Note 10: Share Capital

The called-up and fully paid share capital of the Company is as follows:

	30 June 2022	**31 December 2021**
Allotted, issued and fully paid shares		
(2022: 188,717,097 Ordinary shares of £0.001 each)	£188,717	£188,717
	£188,717	**£188,717**

	Number of Shares	Ordinary Share Capital (£)	Share Premium (£)
Balance at 31 December 2020	**104,496,960**	**104,497**	**2,511,432**
Shares issued on listing	44,320,000	44,320	4,972,515
Expenditure settled in shares	2,983,061	2,983	169,727
Acquisition of Non-controlling interest	36,917,076	36,917	4,028,669
Balance at 31 December 2021	**188,717,097**	**188,717**	**11,682,343**
Shares issued	-	-	-
Balance at 30 June 2022	**188,717,097**	**188,717**	**11,682,343**

During the 6 months ended 30 June 2022 the Company issues no shares as settlement of professional expenses (31 December 2021: £172,710).

Note 11: Reserves

Common control reserve
On 17 September 2020, the Company became the legal parent of Sloane Developments Limited following completion of the acquisition of the entire issued share capital of Sloane Developments Limited, from Kibo Mining Cyprus Limited, a wholly owned subsidiary of Kibo Energy PLC. Following the completion of the acquisition, the ultimate holding Company, being Kibo Energy PLC, retained control over Sloane Developments Limited.

As MED is only an investment holding company, incorporated for the purposes of raising capital funding for its investee projects, and the majority shareholder before and after the Acquisition continue to be Kibo Energy PLC, the transaction is considered to be a common control transaction, outside the scope of IFRS 3, seen as a capital reorganisation, where predecessor valuation accounting was applied with regard to the incorporation of historic financial information.

The common control reserve is the result of the predecessor valuation accounting which was applied as a result of the common control transaction.

Non-controlling interest acquired
On 31 July 2020, Sloane Developments Limited, MAST Energy Projects Limited and St. Anderton on Vaal Limited entered into the Share Exchange Agreement relating to the acquisition by Sloane Developments Limited of the remaining 40% of the issued share capital of MAST Energy Projects Limited. Under the Share Exchange Agreement, the Company will pay St. Anderton on Vaal Limited the sum of £4,065,586 payable by the issue of 36,917,076 ordinary shares of £0.001 each in the Company. Completion of the Share Exchange Agreement was subject to and conditional upon the Admission of Mast Energy Developments Limited to the London Stock Exchange.

Following completion of the IPO on 14 April 2021, the Group acquired the remaining equity interest in MAST Energy Projects Ltd for the consideration equal to 36,917,076 shares at a total value of £4,065,586.

As the controlling stake in the entity had already been acquired, the transaction was seen as a transaction with owners, and the financial impact recognised directly in equity of £4,065,586.

The rationale for the transaction was to acquire the remaining equity within MAST Energy Projects Limited in order to have the exclusive see-through equity interest in the Bordersley project, held in the form of royalty and revenue agreements between MAST Energy Projects Limited and Bordersley Power Limited, from which MED could restructure the Group through its SPV's.

Note 12: Loan from related parties

	Group 30 June 2022 (£)	Group 31 December 2021 (£)
Amounts falling due within one year:		
Kibo Mining (Cyprus) Limited	2,302,362	2,269,035
	2,302,362	**2,269,035**

The loan is unsecured, carries interest at 0%, and is repayable on demand. The carrying value of loans from related parties equals their fair value due mainly to the short-term nature of the liability.

Note 13: Other financial liabilities

	Group 30 June 2022 (£)	Group 31 December 2021 (£)
Amounts falling due within one year:		
Deferred vendor liability	661,911	960,686
	661,911	**960,686**

Deferred vendor liability

The amount due to vendors represents the balance of the purchase consideration owing in respect of the acquisition of Pyebridge Power Limited. The liability will be settled in cash as follows:

- £500,000 payable within 8 months after the signing of the SPA; and
- £500,000 payable within 12 months after the signing of the SPA.

The fair value of the deferred vendor liability is based on the anticipated purchase consideration payable, at the fair value thereof on the date of the transaction. The carrying value of current other financial liability equals their fair value due mainly to the short-term nature of these payables.

Note 14: Related Parties

Related parties of the Group comprise subsidiaries, significant shareholders and the Directors.

Relationships

Board of Directors/ Key Management

Name	**Relationship (Directors of:)**
Paul Venter	St. Anderton on Vaal Limited
Louis Coetzee	Kibo Energy PLC and Katoro Gold PLC
Dominic Traynor	Druces LLP

Other entities over which Directors/key management or their close family have control or significant influence:

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St Anderton on Vaal Limited:	St Anderton on Vaal Limited provided consulting services to the Group. The Directors of St Anderton on Vaal Limited were also Directors of the former Mast Energy Developments Ltd, and one of the Directors of St Anderton on Vaal Limited is also a Director of Mast Energy Developments PLC.
Kibo Energy PLC:	Kibo Energy PLC is the controlling shareholder of Mast Energy Developments PLC.
Ultimate shareholder:	Kibo Energy PLC
Significant shareholders:	Care 1 Guernsey Limited PSCD Power 1 Limited Kibo Mining (Cyprus) Limited (a wholly owned subsidiary of Kibo Energy PLC)
Associated by fellow directorship:	Katoro Gold PLC

MAST Energy Developments PLC is a shareholder of the following companies and as such are considered related parties:

Directly held subsidiaries:	Sloane Developments Limited Bordersley Power Limited Pyebridge Power Limited Rochdale Power Limited

Balances and transactions

Name	**Balance at 30 June 2022 (£)**	**Balance at 31 December 2021 (£)**	**Balance at 31 June 2021 (£)**
Kibo Energy PLC – Loan from related parties owing	2,302,362	2,269,035	2,433,086
St. Anderton on Vaal Limited – Loan from related parties owing	-	-	355,397
St. Anderton on Vaal Limited – Consulting services	-	161,000	69,000
Kibo Energy PLC - Management and administration services	33,327	87,000	-
St. Anderton on Vaal Limited – Purchase of Non-Controlling interest	-	4,065,586	-

St. Anderton on Vaal Limited was paid £ NIL for the period ended 30 June 2022 (31 December 2021: £69,000; 30 June 2021: £100,603) for the settlement of the amounts owing by MAST Energy Projects Limited for consulting services rendered, following another income on the debt write-off of £355,397 in December 2021.

On 31 July 2020, Sloane Developments Limited, Mast Energy Projects Limited and St. Anderton on Vaal Limited entered into the Share Exchange Agreement relating to the acquisition by Sloane Developments

Limited of the remaining 40% of the issued share capital of Mast Energy Projects Limited. Under the Share Exchange Agreement, the Company agreed to pay St. Anderton on Vaal Limited the sum of £4,065,586 payable by the issue of 36,917,076 ordinary shares of £0.001 each in the Company. Completion of the Share Exchange Agreement was subject to and conditional upon the Admission of Mast Energy Developments Limited to the London Stock Exchange. Following completion of the IPO on 14 April 2021, the Group acquired the remaining equity interest in Mast Energy Projects Limited for the consideration equal to 36,917,076 shares at a total value of £4,065,586.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation. The transactions during the period between the Company and its subsidiaries included the settlement of expenditure to/from subsidiaries, working capital funding, and settlement of the Company's liabilities through the issue of equity in subsidiaries. The loans from related parties do not have fixed repayment terms and are unsecured.

Note 15: Subsequent events

Appointment of Director

The Company appointed Mr. Pieter Krügel as a director with effect from 13 July 2022. Mr. Krügel was appointed as Chief Executive Officer of the Company and announced on the Company's RNS of the 20 May 2022 with effect from 13 July 2022 and this completes his appointment to the board.

Settlement of a portion of the Loan's owing to Kibo

The Company issued 28,735,632 new MED Shares of £0.001 each at a deemed issue price of £0.0348 per share to its majority shareholder, Kibo Energy PLC ("Kibo") in partial settlement of £1m of the total remaining outstanding amount owing to Kibo Mining Cyprus Ltd, a wholly owned subsidiary of Kibo, pursuant to the shareholder loan account, as disclosed in the Company's IPO admission document and most recently its latest audited annual report and accounts. Following the Partial Settlement, the Loan's remaining outstanding amount owing to Kibo is c. £1.27m.

Note 16: Commitments and contingencies

The Group does not have identifiable material commitments and contingencies as at the reporting date.

Note 17: Principal risks

The realisation of the various projects is dependent on the successful completion of technical assessments, project development and project implementation and is subject to a number of significant potential risks summarised as follows, and described further below:

- Funding risk;
- Regulatory risk;
- Commodity risk;
- Development and construction risk;
- Staffing and key personnel risk; and
- Information technology risk.

Funding risk

Following the successful conclusion of an Initial Public Offering ("IPO") on 14 April 2021, the Group was able to raise £5.54 million in cash resources which has been utilised to further advance the various projects of the Group for the period to date.

There can be no assurance that such funds will continue to be available on reasonable terms, or at all in future, and that projects will be completed within the anticipated timeframes to supplement cashflows through operational activities.

The Group generated revenue of £305,384 for the period ended 30 June 2022 (31 December 2021: £3,245) and had net assets of £3,167,929 as at 30 June 2022 (31 December 2021: £3,849,744). As at 30

June 2022, the Group had liquid assets in the form of cash and cash equivalent and other receivables of £784,418 (31 December 2021: £1,805,461) and £158,236 (31 December 2021: £181,845) respectively.

The Directors have reviewed budgets, projected cash flows and other relevant information, and on the basis of this review and the rationale set out below, they are confident that the Group will have adequate financial resources to continue in operational existence for the foreseeable future.

The Group has sufficient funds for its present working capital requirements for the foreseeable future due to the successful initial public offering and capital raising completed during the year.

The Directors continue to review the Group's options to secure additional funding for its general working capital requirements as well as project financing for commercial production ready sites, alongside its ongoing review of revenue generation from existing operations, potential acquisition targets and corporate development needs.

The Directors are confident in this light that such funding will be available, although there is no guarantee as to the terms of such funding. In addition, any equity funding may be subject to shareholder approvals in line with legal and regulatory requirements as appropriate.

As a result, the Directors continue to monitor and manage the Group's cash and overheads carefully in the best interests of its shareholders and believe that the Company and the Group will remain a going concern for the foreseeable future.

Regulatory risk
The United Kingdom ("UK") power sector has undergone a number of considerable regulatory changes over the last few years and is now at a state of transition from large fossil-fuel plants to a more diverse range of power generation sources including renewables, small distributed plants and new nuclear. As a result, there is greater regulatory involvement in the structure of the UK power marker than has been the case over the last 20 years. Therefore, there remains a risk that future interventions by Ofgem or Government could have an adverse impact on the underlying assets that the Group manages and/or owns.

Commodity Risk
The assets that the Group manages and owns will receive revenue from the sale of energy onto the wholesale market or to end users at a price linked to the wholesale power market price. Fluctuations in power prices going forward will affect the profitability of the underlying reserve power assets. The Group will also use its skills, capabilities and knowledge of the UK power market in order to optimise these wholesale revenues. The Group's ability to effectively manage price risk and maximise profitability through trading and risk management techniques will have a considerable impact on the revenues and returns.

Development and Construction Risk
The Group will continue to develop new project sites which includes obtaining planning permission, securing land (under option to lease or freehold), and obtaining gas and grid connections. The Group will also oversee the construction of these projects where needed.

Risks to project delivery include damage or disruption to suppliers or to relevant manufacturing or distribution capabilities due to weather, natural disaster, fire, terrorism, pandemic, strikes, or other reasons could impair our ability to deliver projects on time.

Failure to take adequate steps to mitigate the likelihood or potential impact of development and construction setbacks, or to effectively manage such events if they occur, could adversely affect our business or financial results. There are inherent risks that the Group may not ultimately be successful in achieving the full development and construction of every site and sunk costs could be lost. However, the risk is mitigated as the Group targets shovel-ready sites that adhere to specific requirements, coupled with experienced senior management team.

Staffing and Key Personnel Risks
Personnel are our only truly sustainable source of competitive advantage and competition for key skills is intense, especially around science, technology, engineering and mathematics (STEM) disciplines. While the Group has good relations with its employees, these relations may be impacted by various factors. The Group may not be successful in attracting, retaining, developing, engaging and inspiring the right people with the right skills to achieve our growth ambitions, which is why staff are encouraged to discuss with management matters of interest to the employees and subjects affecting day-to-day operations of the Group.

Information Technology Risks
The Group relies on IT in all aspects of its business. Any significant disruption or failure, caused by external factors, denial of service, computer viruses or human error could result in a service interruption, accident or misappropriation of confidential information. Process failure, security breach or other operational difficulties may also lead to revenue loss or increased costs, fines, penalties, or additional insurance requirements. The Group continues to implement more cloud-based systems and processes, and improve cyber security protocols and facilities in order to mitigate the risk of data loss or business interruption.

Note 18: Use of Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

In particular, there are significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Estimation uncertainty:
Information about estimates and assumptions that may have the most significant effect on recognition and measurement on assets, liabilities and expenses is provided below:

Impairment assessment of non-financial assets
In applying IAS 36, impairment assessments are performed whenever events or changes in circumstances indicate that the carrying amount of an asset or CGU may not be recoverable. Estimates are made in determining the recoverable amount of assets which includes the estimation of cash flows and discount rates used. In estimating the cash flows, management bases cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the assets. The discount rates used reflect the current market assessment of the time value of money and the risks specific to the assets for which the future cash flow estimates have not been adjusted.

Useful life of Intangible assets
Amortisation is charged on a systematic basis over the estimated useful lives of the assets after taking into account the estimated residual values of the assets. Useful life is either the period of time over which the asset is expected to be used or the number of production or similar units expected to be obtained from the use of the asset.

Leases – Estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR

therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Useful life of Property, plant and Equipment
The depreciable amounts of assets are allocated on a systematic basis over their useful lives. In determining the depreciable amount, management makes assumptions in respect of the residual value of assets based on the expected estimated amount that the entity would currently obtain from disposing the asset, after deducting the estimated costs of disposal. If an asset is expected to be abandoned, the residual value is estimated at nil. In determining the useful lives of assets, management considers the expected period of use of assets, expected physical wear and tear, legal or similar limits of assets such as rights, condition and location of the asset as well as obsolescence.

Decommissioning and Environmental Rehabilitation Provisions
The Company has set-up a decommissioning provision for the removal of the plant and equipment installed at the Bordersley Site in Liverpool St. Birmingham., the cost of which is based on estimates.

Environmental Rehabilitation Provisions
Estimates are made in determining the present liability of environmental rehabilitation provisions consisting of a restoration provision, decommissioning provision and a residual impact provision. Each of these provisions are based on an estimate of closure costs on reporting date, inflation and discount rates relevant to the calculation and the expected date of closure of operating activities in determining the present value of the total environmental rehabilitation liability.

Critical judgements:
Information about critical judgements that may have the most significant effect on recognition and measurement on assets, liabilities and expenses is provided below:

Going Concern
The Groups current liabilities exceed its current assets as at 30 June 2022, mainly due to the loans from related parties in the amount of £2,302,362 which contributes significantly to the material uncertainty related to the going concern assumption applied in preparation of the financial statements. Management applies judgement in determining whether or not the Group is able to continue as a going concern for the foreseeable future, in identifying the matters which give rise to the existence of the material uncertainty, and in developing responses thereto in order to address the risk of material uncertainty.

Note 19: Financial instruments - Fair value and Risk Management

The carrying amount of all financial assets and liabilities approximates the fair value. Directors consider the carrying value of financial instruments of a short-term nature, that mature in 12 months or less, to approximate the fair value of such assets or liability classes.

The carrying values of longer-term assets are considered to approximate their fair value as these instruments bear interest at interest rates appropriate to the risk profile of the asset or liability class.

The Group does not carry any financial instruments measured in the statement of financial position at fair value at 30 June 2022 or the comparative periods.

Note 20: Restatement of comparative figures

Following completion of the year end audit, adjustments were identified related to the capital reorganisation in order to correctly reflect the respective balances at the date of the capital reorganisation.

There was no impact on profit/loss for the period.

These corrections were made retrospectively accordingly to align with the current disclosure.

	Balance at 30 June 2021 (Unaudited) Previously stated (£)	**Adjustments (£)**	**Balance at 30 June 2021 (Audited) Restated (£)**
Common control reserve	410,727	(27,679)	383,048
Non-controlling interest acquired	(4,373,614)	308,028	(4,065,586)
Retained deficit	(3,634,199)	(308,029)	(3,942,228)
Loans from related parties	2,433,086	27,526	2,460,612