
Unaudited interim results for the six-month period ended 30 June 2024

Dated 30 August 2024

MAST Energy Developments PLC ('MED' or the 'Company') the UK-based multi-asset owner, developer and operator in the rapidly growing flexible power market, is pleased to announce its unaudited interim results for the six months ended 30 June 2024.

Overview of key highlights during the interim period and to date:

- Gross profit margin improved period-on-period as a result of start of optimisations at Pyebridge, including first Capacity Market contract income.
- Successful in pre-qualification to bid for additional new Capacity Market ("CM") contracts, being T-1 (2024/2025 delivery year) and T-4 (2027/2028 delivery year) for its Pyebridge site ('Pyebridge'). The Capacity Market bid auctions, which were held in February 2024, resulted in Pyebridge getting contractual clearing prices of £35.79/kW/pa for the T-1 contract, and £65.00/kW/pa for the T-4 contract respectively.
- Signed a Project Finance funding agreement with RiverFort Global Opportunities PCC Limited ("RiverFort"), with Pyebridge as the borrower, with an initial funding facility up to £4,000,000 (the "RiverFort Facility"), with a cumulative total net draw of c. £2.1m to date. Refer to RNS announcement dated 28 February 2024 for more details.
- Pyebridge was taken out of care & maintenance, and a comprehensive improvement and refurbishment works programme ("Works Programme") was executed. The Works Programme consisted of two main phases, each addressing key areas of the facility to optimise operations and income generation.
- The first phase of the Works Programme addressed the requirement to meet the Satisfactory Performance Days ("SPD") obligation set by the Electricity Market Reform Delivery Body ('EMR DB') for Pyebridge's existing T-1 Capacity Market ("CM") contract. All required SPD tests were completed successfully, which meant that Pyebridge could continue receiving the current CM contract's associated gross profit margin income of c. £308,000 which is paid and received monthly in arrears.
- The second phase of the Works Programme, currently in process, focusses on the complete overhaul of each of the Pyebridge site's 3x 2.7MW Jenbacher reciprocal turbine engines. Thus far, the first genset's overhaul has been successfully completed, and the second genset's overhaul has officially commenced.
- First refurbished genset achieves c. £57k revenue for July 2024 in the first month of operation, resulting in revenue per MW month of c. £21,000, and outperforming market with 40% margin. Refer to RNS announcement dated 7 August 2024 for more details.
- The Company paid down £325,000 on the outstanding balance on convertible loan notes held by RiverFort via a director loan purchase agreement and a placing, and also secured funding of

£325,000 via a new non-convertible fixed term loan with RiverFort for on-going working capital purposes.

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

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DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

BOARD OF DIRECTORS:	Louis Lodewyk Coetzee (Non-Executive Chairman) Pieter Krügel (Chief Executive Officer) Paul Venter (Non-Executive Director) Dominic Traynor (Non-Executive Director)
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PLACE OF INCORPORATION:	England & Wales
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PRINCIPLE BANKERS:	Barclays Bank PLC 1 Churchill Place Canary Wharf London E14 5HP
STOCK EXCHANGE LISTING:	London Stock Exchange: Main Market (Share code: MAST)
WEBSITE:	www.med.energy
DATE OF INCORPORATION:	17 September 2020
REGISTERED NUMBER:	12886458

DIRECTORS' STATEMENT

We are pleased to present our Interim Report for the six-months ending 30 June 2024.

The Company's activities during the first half of 2024 principally focused on getting its Pyebridge site ("Pyebridge") back into operation following a period of care and maintenance. The initial phase of these works (the "Works Programme") was successfully completed during Q1 2024 permitting operations and revenue generation to resume in April 2024. The second phase of the Works Programme, which is currently in process, is focused on optimising the site performance by overhauling each of Pyebridge's 3x 2.7MW gensets. The Company is presently carrying out refurbishment of the second genset which is anticipated to be completed during Q4 2024.

The Pyebridge Works Programme was enabled by an important Project Finance funding agreement for up to £4 million signed between the Company, its wholly owned subsidiary, Pyebridge Power Ltd ("Pyebridge Power") and RiverFort Global Opportunities PCC Limited ("RiverFort") during February 2024, with a cumulative total net draw of c. £2.1m to date. Refer to RNS announcement dated 28 February 2024 for more details.

During Q1 2024, the Company announced that it had terminated its joint venture agreement with Proventure Holdings (UK) Limited ("Proventure") for material breach of its contractual joint venture payment obligations to MED. The Company is now well along the path of recovery, not least assisted by the RiverFort Project Finance agreement noted earlier.

While the focus during the period has been on the optimisation of Pyebridge to enhance its revenue generating potential, the Company is also maintaining its shovel-ready development projects, Bordesley, Hindlip, Rochdale and Stather in good standing and continues to explore project financing options to expedite construction and is also exploring alternative options that may best realise return on investment to date by the Company on these projects.

Below follows a description of progress and activities at the respective sites:

Pyebridge:

Apart from various T-4 CM contracts, which will all formally start in the future, Pyebridge currently has an active T-1 CM contract, with a gross profit income value of c. £308k. The official start date of this T-1 CM contract was 1 October 2023, and it will end on 30 September 2024. During this period, Pyebridge receives the annual contracted income of c. £308k per annum, paid out monthly.

As part of the contracted CM agreement, at least three Satisfactory Performance Days ('SPDs') must be executed before the end of April 2024, to prove that the site can supply the agreed upon electricity export capacity should the National Grid need it. As part of the first phase of the Refurbishment Works Programme, Engines 1 and 2 received critical components and the necessary servicing to be able to generate the 5.4MW required to meet the SPD obligation, which was satisfactorily met at the end of April 2024 and means that Pyebridge will continue to receive the CM income, paid out monthly, until 30 September 2024.

After developing a comprehensive CM auction bid strategy, the Company participated in the CM auction in March 2024 and it successfully secured a T-1 CM Contract at £35.79/kW/annum, which will generate approximately £183,000 in additional income for the site during the October 2024 – September 2025 period. Additionally, the Company also cleared a T-4 CM Contract at £65/kW/annum, resulting in an estimated £322,000 in extra income for the site for the period October 2027 – September 2028.

A major overhaul was successfully completed on the first of the 3x 2.7MW gensets at Pyebridge during June 2024, and the second genset's overhaul has officially commenced. The overhaul works will ensure that the gensets operate at the maximum capable efficiency, and reliability. The first overhauled genset achieved c. £57k revenue in first month of operation (inclusive of initial ramp-up period), resulting in revenue per MW month of c. £21,000, and outperforming market with 40% margin.

In addition to the expected enhanced revenue generation via Pyebridge's PPA with Statkraft, the overhaul of the 2nd genset enables Pyebridge to apply for its next T-1 CM contract in the upcoming CM pre-qualification assessment window and subsequent bid auction for the 2025/2026 delivery year, at an enhanced generation capacity. It will result in increased contractual gross profit margin income received from that contract.

Once the work on the second genset has been completed, Pyebridge will have two completely refurbished 2.7MW gensets operating and generating at optimum capacity and performance, which should have a direct positive impact regarding the site's PPA revenue generation. The plan remains to overhaul the remaining 3rd genset in due course, in order to maximise full reliability, efficiency and revenue generating ability of the Pyebridge site in the most cost-efficient manner.

The Project Finance with RiverFort has enabled the successful completion of the first genset's overhaul, as well the commencement of the 2nd genset's overhaul, and MED is appreciative of RiverFort's ongoing support as its asset-level strategic funding partner, in order to grow the business.

MED's other existing sites

In addition to Pyebridge, MED has a portfolio of other sites that are under development. The following MED sites, Hindlip (7.5MW), Bordesley (5MW) and Rochdale (4.5MW) are each construction-ready, with all the requirements for a flexible generation site in place and in good standing, most notably fully specified EPC and O&M offers, planning consent, gas connection offer, grid connection offer and construction management plan. Subject to capex funding, these sites could immediately continue with their construction phase with an expected timeline to commercial operations date of around 12 months from receipt of funding, to go into production and revenue generation.

Looking forward

MED remains committed to growing a portfolio of sites providing green focused energy generation with a capacity of 100 MW in the short- to medium term. This growth will be achieved through identified sites and the acquisition of new sites, similar to Pyebridge.

Principle Risk

Refer to Note 16 of the RNS for our assessment of the Principle Risks.

Related Parties

Refer to Note 14 of the RNS for key relationships and disclosure of Related Parties.

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 2024 (Unaudited) (£)	Six (6) months ended 30 June 2023 (Unaudited) (£)	Year ended 31 December 2023 (Audited) (£)
Revenue	202,258	198,438	341,207
Cost of sales	(85,599)	(125,008)	(223,838)
Administrative expenses	(312,600)	(472,611)	(941,941)
Listing and capital raising fees	(79,617)	(94,436)	(464,853)
Project expenditure	(185,487)	(224,667)	(343,718)
Impairments and fair value adjustments	-	(86,558)	(1,857,604)

Description	Six (6) months ended 30 June 2024 (Unaudited) (£)	Six (6) months ended 30 June 2023 (Unaudited) (£)	Year ended 31 December 2023 (Audited) (£)
Other income	-	128,050	40,375
Finance income	-		1,117
Finance costs	(31,010)	(96,958)	(90,139)
Loss for the period	(492,055)	(773,750)	(3,539,394)

Group revenue is £202,258 for the six-month period ended 30 June 2024. Revenue is mainly derived from the Pyebridge T-1 Capacity Market payments and from electricity generation at this site. Revenue is marginally higher for the period ended June 2024 compared to the previous interim financial reporting period. It is due to the Pyebridge Works Programme and CM payments. As the Company's projects and operations continue to move from development to commercial production, the growth in revenue is expected to increase.

The overall decrease 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 gross profit margin, due to optimisation of the Pyebridge site, including first Capacity Market contract income.
- Decrease in administrative expenses due to stringent cost control, including decreased directors' fees and consulting services.
- Decrease in project expenditure recognised in the Statement of Comprehensive Income as the overhaul costs incurred by Pyebridge during the period are of capital nature.
- Impairments/fair value adjustments were not required in the current period.
- Finance fees were lower in 2024 due to the lower implementation fees on external loans obtained.

There have been no dividends declared or paid during the current interim financial period (31 December 2023: £ Nil, 30 June 2023: £ Nil).

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge that:

- a) the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';
- b) the Directors' Statement includes a fair review of the information required by the Disclosure and Transparency Rule DTR 4.2.7R (indication of important events during the six months);
- c) the Directors' Statement includes a fair review of the information required by the Disclosure and Transparency Rule DTR 4.2.8R (disclosure of related party transactions and changes therein); and
- d) this report contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. 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.

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

Board of Directors

Louis Lodewyk Coetzee (Non-Executive Chairman)

Pieter Krügel (Chief Executive Officer)

Paul Venter (Non-Executive Director)

Dominic Traynor (Non-Executive Director)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six (6) months ended 30 June 2024 (Unaudited)	Six (6) months ended 30 June 2023 (Unaudited)	Year ended 31 December 2023 (Audited)
Note	£	£	£
Revenue	202,258	198,438	341,207
Cost of sales	(85,599)	(125,008)	(223,838)
Gross profit	116,659	73,430	117,369
Administrative expenses	(312,600)	(472,611)	(941,941)
Listing and other corporate fees	(79,617)	(94,436)	(464,853)
Project expenditure	(185,487)	(224,667)	(343,718)
Impairments and fair value adjustments	-	(86,558)	(1,857,604)
Operating loss	(461,045)	(804,842)	(3,490,747)
Other income	-	128,050	40,375
Finance income	-	-	1,117
Finance costs	(31,010)	(96,958)	(90,139)
Loss before tax	(492,055)	(773,750)	(3,539,394)
Taxation	-	-	-
Loss for the period	(492,055)	(773,750)	(3,539,394)
Other comprehensive Income/(loss)			
Total comprehensive loss for the period	(492,055)	(773,750)	(3,539,394)
Loss for the period	(492,055)	(773,750)	(3,539,394)
Attributable to the owners of the parent	(492,055)	(773,750)	(3,539,394)
Attributable to the non-controlling interest			-
Total comprehensive loss for the period	(492,055)	(773,750)	(3,539,394)
Attributable to the owners of the parent	(492,055)	(773,750)	(3,539,394)
Attributable to the non-controlling interest			-
Loss Per Share			
Basic loss per share (pence)	6	(0.14)	(0.34)
Diluted loss per share (pence)	6	(0.14)	(0.34)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

		30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	31 December 2023 (Audited)
	Note	£	£	£
Assets				
Non-current assets				
Property, plant, and equipment	7	2,828,155	2,454,389	2,080,869
Intangible assets	8	397,779	1,795,683	397,779
Total non-current assets		3,225,934	4,250,072	2,478,648
Current assets				
Trade and other receivables		131,723	78,565	122,649
Cash and cash equivalents		251,988	8,804	252
Total current assets		383,711	87,369	122,901
Total assets		3,609,645	4,337,441	2,601,549
Equity and liabilities				
Equity				
Called up share capital	9	426,354	232,207	263,854
Share premium account	9	13,345,777	12,745,924	13,183,277
Share reserve		81,329	-	81,329
Common control reserve	10	383,048	383,048	383,048
Warrant and share based payment reserve	10	380,741	58,424	380,741
Non-controlling interest acquired	10	(4,065,586)	(4,065,586)	(4,065,586)
Retained deficit		(11,122,727)	(7,845,528)	(10,611,172)
Attributable to equity holders of the parent		(571,064)	1,508,489	(384,509)
Non-controlling interest		-	-	-
Total equity		(571,064)	1,508,489	(384,509)
Liabilities				
Non-current liabilities				
Lease liability		407,587	292,826	405,390
Other financial liabilities	12	1,286,671	494,447	318,925
Total current liabilities		1,694,258	787,273	724,315
Current liabilities				
Loans from related parties	11	880,422	1,231,535	849,253
Trade and other payables		620,172	494,100	941,688
Other financial liability	12	958,911	307,559	444,365
Lease liability		4,714	8,485	4,205
Derivative liability	12	22,232	-	22,232
Total current liabilities		2,486,451	2,041,679	2,261,743
Total liabilities		4,180,709	2,828,952	2,986,058
Total equity and liabilities		3,609,645	4,337,441	2,601,549

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Share Reserve	Warrant and share based reserves	Common Control Reserve	Non-controlling interest acquired	Retained deficit	Total
	£	£	£	£	£	£	£	£
Balance at 31 December 2022	217,453	12,653,607	-	-	383,048	(4,065,586)	(7,071,778)	2,116,744
Total comprehensive loss for the period	-	-	-	-	-	-	(773,750)	(773,750)
Warrants issued during the year	-	-	-	58,424	-	-	-	58,424
Partial settlement of convertible loan notes in shares	14,754	92,317	-	-	-	-	-	107,071
Balance at 30 June 2023	232,207	12,745,924	-	58,424	383,048	(4,065,586)	(7,845,528)	1,508,489
Total comprehensive loss for the period	-	-	-	-	-	-	(2,765,644)	(2,765,644)
Warrants issued during the year	-	-	-	322,317	-	-	-	322,317
Director's loan repayable in shares	-	-	81,329	-	-	-	-	81,329
Loan with holding company settled in shares	31,647	437,353	-	-	-	-	-	469,000
Balance at 31 December 2023	263,854	13,183,277	81,329	380,741	383,048	(4,065,586)	(10,611,172)	(384,509)
Loss for the Period	-	-	-	-	-	-	(492,055)	(492,055)
Issued during the year	162,500	162,500	-	-	-	-	-	325,000
Share issue costs	-	-	-	-	-	-	(19,500)	(19,500)
Balance at 30 June 2024	426,354	13,345,777	81,329	380,741	383,048	(4,065,586)	(11,122,727)	(571,064)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
	(Unaudited)	(Unaudited)	(Audited)
	£	£	£
Cash flows from operating activities			
Loss for the period before taxation	(492,055)	(773,750)	(3,539,394)
<i>Adjustments:</i>			
Non-cash interest accrued	31,003	96,958	88,731
Depreciation	30,046	45,784	74,542
Loss on revaluation of derivatives	-	86,558	86,558
Warrants issued	-	58,424	-
Other non-cash items	-	-	369
Management and administrative fees accrued from related parties	31,170	-	-
Impairment of intangible assets	-	-	1,397,904
Impairment of PPE	-	-	459,700
Implementation fee on reprofiling of convertible loan notes	-	-	48,950
	(399,836)	(486,026)	(1,382,640)
<i>Movement in working capital</i>			
Decrease in debtors	(9,074)	58,236	14,152
(Decrease) / Increase in creditors	(321,516)	193,775	641,363
	(330,590)	252,011	655,515
Net cash outflows from operating activities	(730,426)	(234,015)	(727,125)
Cash flows from investing activities			
Property, plant and equipment acquired	(777,332)	-	-
Net cash flows from investing activities	(777,332)	-	-
Cash flows from financing activities			
Lease liability repaid	(16,433)	(24,115)	(39,292)
Proceeds from convertible loan notes	1,627,107	85,800	85,800
Repayments of convertible loan notes	(156,681)	-	-
Implementation fee on CLN reprofiling – non-cash item	-	48,950	-
Proceeds from director’s loan	-	-	81,329
Proceeds from shareholders loan	-	-	86,615
Shares issued net of share issue costs	305,500	-	380,741
Net cash flows financing activities	1,759,493	110,635	595,193
Net increase/(decrease) in cash and cash equivalents	251,735	(123,380)	(131,932)
Cash and cash equivalents at beginning of period	252	132,184	132,184
Cash and cash equivalents at end of the period	251,987	8,804	252

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

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 currently has five projects in its portfolio referred to as Pyebridge, Rochdale, Bordersley, Hindlip Lane (ADV 001) and Stather Road (ARL 018).

Note 2: Statement of preparation

The condensed consolidated interim financial statements are prepared on the historical cost basis, unless otherwise stated. The Group's accounting policies used in the preparation of condensed consolidated interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2023, except for the adoption of new or amended standards applicable from 1 January 2024, which had no material impact on the condensed consolidated financial statements of the Group.

The condensed consolidated interim 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 2023, which has been prepared in accordance with UK-adopted international accounting standards, and any public announcements made by MED PLC during the interim reporting period.

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

The condensed consolidated interim 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 interim financial statements.

Note 3: Consolidation

The consolidated interim financial statements comprise the financial statements of MAST Energy Developments PLC and its subsidiaries over which the Company has control as at 30 June 2024.

Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Intragroup balances and any unrealised gains or losses or income or expenses arising from intragroup transactions are eliminated in preparing the Group financial statements, except to the extent they provide evidence of impairment.

The Group accounts for business combinations using the acquisition method of accounting.

The Group applied merger accounting for the common control transaction that occurred during the creation of the group between Kibo Mining (Cyprus) Limited, Kibo Energy PLC and MAST Energy Projects Limited. The common control reserve of £383,048 has not changed during the six month period ended 30 June 2024 (30 June 2023: £383,048 and 31 December 2023: £383,048).

Note 4: Going concern

The financial results have been prepared on the going concern basis of accounting that 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, cashflows from operational activities, available information about the future, the possible outcomes of planned events, changes in future conditions, geopolitical events, 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 2024 of £492,055 (six months ended 30 June 2023 of £773,750 and year ended 31 December 2023 of £3,539,394);
- Cash and cash equivalents readily available to the Group in the amount of £251,988 in order to pay its creditors and maturing liabilities in the amount of £2,486,451 (of which £880,422 is from related parties) as and when they fall due and meet its operating costs for the ensuing twelve months;
- 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; and
- A funding agreement with an initial funding facility up to £4,000,000 with RiverFort Global Opportunities PCC Limited ("RiverFort") and a total drawdown to date of £ 2,1m was advanced and received under the facility of which £1,6m was received during the six month period ended 30 June 2024 and the remainder subsequent to period end. Follow-on drawdowns are at RiverFort's discretion and conditional on an agreed budget and restructuring of the Company's liabilities.

The Directors have evaluated the Group's liquidity requirements to confirm the Group has adequate cash resources to continue as a going concern for the foreseeable future. Considering the net current liability position, the Directors have reviewed the financial projections to 30 August 2025. Based on the assumption that further drawdowns on the GBP 4m facility with RiverFort are available to the Company as and when required, as well as the successful electricity generation by Pyebridge, the Company will have a positive cash balance for the period. Unforeseen challenges with either of the aforementioned cause a risk that the Company may not be able to meet its current liabilities without another cash injection. In the event further funding cannot be secured, the Group may experience continuous cash shortfalls over the next 12 months. A severe but plausible financial projection was also reviewed, whereby further drawdowns are not successful. Under this scenario the Group experiences cash shortfalls throughout the forecast period.

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. Implementation is regularly monitored in order to ensure the Group is able to alleviate the liquidity constraints in the foreseeable future. Cost saving measures were identified and implemented on operational expenditure. Further, from April 2024 a reduction in Directors' remuneration has been implemented.

The Group has identified the below options in order to address the liquidity risk the Group faces on an ongoing basis. The ability of the Group to continue as a going concern is dependent on the successful implementation or conclusion of one or more of the below:

- The successful drawdown on the funding facility of £4,000,000 with RiverFort. There are terms and conditions limiting the drawdown which have to be adhered to.
- Successful cash generation from the Pyebridge power-generation facilities in order to achieve net-cash positive contributions toward the larger Group.
- Raising of short- and medium-term working capital and project capex funding, by way of capital placings.
- Successful conclusion of current funding opportunities of the Group with strategic funders regarding the funding of specific projects and/or the business.
- Obtaining debt funding or other funding instruments such as credit loan notes to fund MED projects.
- Successful subordination of the Kibo Mining (Cyprus) Limited loan, resulting in the deferral of loans payable in the foreseeable future beyond a 12-month period after sign-off of these financial statements.

Although there is no guarantee, the Directors are confident that the above matters will be successfully implemented and have a reasonable expectation that the Group will be able to raise sufficient financing to support its ongoing development and commercialisation activities to continue in operational existence in the next 12 months.

Note 5: Segmental reporting

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

30 June 2024	Bordersley	Rochdale	Pyebridge	ADV001 Hindlip Lane	ARL018 Stather Road	Treasury and Investment	Group
	(£)	(£)	(£)	(£)	(£)	(£)	(£)
Revenue	-	-	202,258	-	-	-	202,258
Cost of sales	-	-	(85,599)	-	-	-	(85,599)
Depreciation	-	-	(29,252)	-	-	(794)	(30,046)
Profit/ (Loss) before tax	(20,704)	(5,966)	(84,614)	(16,566)	(6,317)	(357,888)	(492,055)
Total assets	50,167	91,264	3,285,219	43,418	1,999	137,578	3,609,645
Total liabilities	(390,477)	(43,424)	(1,577,113)	(61,022)	(138,460)	(1,970,213)	(4,180,709)
30 June 2023	Bordersley	Rochdale	Pyebridge	ADV001 Hindlip Lane	ARL018 Stather Road	Treasury and Investment	Group
	(£)	(£)	(£)	(£)	(£)	(£)	(£)
Revenue	-	-	198,438	-	-	-	198,438
Cost of sales	-	-	(125,008)	-	-	-	(125,008)
Depreciation	(3,918)	-	(39,817)	(1,254)	-	(795)	(45,784)
Profit/ (Loss) before tax	(46,200)	(19,893)	18,330	(12,603)	(29,698)	(683,686)	(773,750)

30 June 2023	Bordersley	Rochdale	Pyebridge	ADV001 Hindlip Lane	ARL018 Stather Road	Treasury and Investment	Group
Total assets	286,958	92,808	2,050,929	127,858	13,345	1,765,543	4,337,441
Total liabilities	(256,806)	(25,731)	(145,668)	(127,398)	(30,012)	(2,243,337)	(2,828,952)
31 December 2023	Bordersley	Rochdale	Pyebridge	ADV001 Hindlip Lane	ARL018 Stather Road	Treasury and Investment	Group
	(£)	(£)	(£)	(£)	(£)	(£)	(£)
Revenue	-	-	341,207	-	-	-	341,207
Cost of sales	-	-	(223,838)	-	-	-	(223,838)
Administrative and other expenses	(37,736)	(9,377)	(46,424)	(14,302)	(20,313)	(1,319,017)	(1,447,169)
Impairment	(1,649,206)	-	-	-	(208,398)	-	(1,857,604)
Depreciation	(11,941)	-	(58,504)	-	(2,509)	(1,588)	(74,542)
Project costs	(27,972)	(23,396)	(173,631)	(38,434)	(5,743)	-	(269,176)
Other income	-	-	126,933	-	-	(86,558)	40,375
Loss before tax	(1,726,855)	(32,773)	(34,257)	(52,736)	(236,963)	(1,407,163)	(3,490,747)
Total assets	392,155	91,134	2,020,584	9,163	117,215	28,702	2,601,549
Capital expenditure	-	-	-	-	-	-	-
Total liabilities	(389,225)	(38,391)	(174,537)	(25,979)	(139,276)	(2,218,650)	(2,986,058)

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 2024 (£)	30 June 2023 (£)	31 December 2023 (£)
Loss for the period attributable to equity holders of the parent	(492,055)	(773,750)	(3,539,394)
Weighted average number of ordinary shares for the purposes of basic loss per share	340,131,101	226,629,075	234,172,196
Basic loss per ordinary share (pence)	(0.14)	(0.34)	(1.51)

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

Note 7: Property, plant and equipment

	Land	Plant & Machinery	Right of use assets	Computer Equipment	Asset under construction	Total
Cost	(£)	(£)	(£)	(£)	(£)	(£)
Opening Cost as at 1 January 2023	602,500	1,665,429	355,883	4,766	-	2,628,578
Change in lease	-	-	(52,664)	-	-	(52,664)
Additions	-	-	-	-	-	-
Transfer between classes	-	-	-	-	-	-
Closing Cost as at 30 June 2023	602,500	1,665,429	303,219	4,766	-	2,575,914
Change in lease	-	-	114,938	-	-	114,938
Transfer between classes	-	(126,800)	-	-	126,800	-
Change in lease	-	-	-	-	-	-
Closing Cost as at 31 December 2023	602,500	1,538,629	418,157	4,766	126,800	2,690,852
Additions	-	745,117	-	-	32,215	777,332
Closing Cost as at 30 June 2024	602,500	2,283,746	418,157	4,766	159,015	3,468,185
Accumulated Depreciation ("Acc Depr")	(£)	(£)	(£)	(£)	(£)	(£)
Opening Acc Depr as at 1 January 2023	-	(52,632)	(22,358)	(751)	-	(75,741)
Depreciation	-	(39,817)	(5,173)	(794)	-	(45,784)
	-	-	-	-	-	-
Closing Acc Depr as at 30 June 2023	-	(92,449)	(27,531)	(1,545)	-	(121,525)
Depreciation	-	(18,687)	(9,276)	(795)	-	(28,758)
Impairment	-	-	(381,350)	-	(78,350)	(459,700)
Closing Acc Depr as at 31 December 2023	-	(111,136)	(418,157)	(2,340)	(78,350)	(609,983)
Depreciation	-	(29,252)	-	(794)	-	(30,046)
Closing Acc Depr as at 30 June 2024	-	(140,388)	(418,158)	(3,134)	(78,350)	(640,030)
Carrying Value as at:	(£)	(£)	(£)	(£)	(£)	(£)
30 June 2023	602,500	1,572,980	275,688	3,221	-	2,454,389
31 December 2023	602,500	1,427,493	-	2,426	48,450	2,080,869
30 June 2024	602,500	2,143,358	-	1,632	80,665	2,828,155

The Group has a lease contract for land it shall utilise to construct 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 has another lease contract for land where it shall construct a 2.4MW gas-fuelled power generation plant. The land is located at Stather Road, Flixborough. The lease term is 25 years.

The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group's incremental borrowing rate ranges between 8.44% and 10.38%.

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:

Group	Rochdale Power (£)	Bordersley Power (£)	ARL018 Stather Road (£)	ADV001 Hindlip Lane (£)	Total (£)
Carrying value as at 1 January 2023	150,273	1,306,422	91,482	247,506	1,795,683
Carrying value as at 30 June 2023	150,273	1,306,422	91,482	247,506	1,795,683
Impairment	-	(1,306,422)	(91,482)	-	(1,397,904)
Carrying value as at 31 December 2023	150,273	-	-	247,506	397,779
Carrying value as at 30 June 2024	150,273	-	-	247,506	397,779

Intangible assets are amortised once commercial production commences over the remaining useful life of the project, which is estimated to be 20 years, depending on the unique characteristics of each project. Until such time as the underlying operations commence production, the Group performs regular impairment reviews to determine whether any impairment indicators exist.

One or more of the following facts or circumstances indicate that an entity should test an intangible asset for impairment:

- The period for which the entity has the right to develop the asset has expired during the period or will expire in the foreseeable future;
- The substantial expenditure on the asset in future is neither planned nor budgeted.
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the development asset is unlikely to be recovered in full from successful development or by sale.

Note 9: Share Capital

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

	30 June 2024 (£)	30 June 2023 (£)	31 December 2023 (£)
Allotted, issued and fully paid shares			
(Jun 2024: 426,354,067 Ordinary shares of £0.001 each)	426,354	-	-
(Jun 2023: 232,207,643 Ordinary shares of £0.001 each)	-	232,207	-
(Dec 2023: 263,854,067 Ordinary shares of £0.001 each)	-	-	263,854
	426,354	232,207	263,854
	Number of Shares	Ordinary Share Capital (£)	Share Premium (£)
Balance at 31 December 2022	217,452,729	217,453	12,653,607
Partial settlement of outstanding shareholder loan	14,754,914	14,755	92,317
Balance at 30 June 2023	232,207,643	232,208	12,745,924
Partial settlement of outstanding shareholder loan	31,646,424	31,646	437,353
Balance at 31 December 2023	263,854,067	263,854	13,183,277
Issue of shares	162,500,000	162,500	162,500
Balance at 30 June 2024	426,354,067	426,354	13,345,777

During the six months ended 30 June 2024 the Company paid down £325,000 on the outstanding balance on convertible loan notes held by RiverFort via a director loan purchase agreement and a placing. No shares were issued in lieu of payment of outstanding amounts (30 June 2023: £107,071 and 31 December 2023: £576,071).

Note 10: 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 continues to be Kibo Energy PLC, the transaction is considered to be a common control transaction, outside the scope of IFRS 3, and 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 Limited 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 special purpose vehicles (SPVs).

Warrant and share based payment reserve

On 7 May 2024, MAST Energy Developments PLC entered into warranty agreements with financial institutions as part of convertible loan note financial instruments.

The following warrants were in issue as at 30 June 2024:

Date of grant	Issue date	Expiry date	Exercise price	Number Granted	Warrants exercisable
18/05/2023	18/05/2023	18/05/2026	2.00p	2,255,656	2,255,656
18/05/2023	18/05/2023	18/05/2026	2.00p	2,255,656	2,255,656
18/05/2023	18/05/2023	18/05/2027	0.89p	20,575,813	20,575,813
18/05/2023	18/05/2023	18/05/2027	1.77p	20,575,813	20,575,813
18/05/2023	18/05/2023	18/05/2027	0.89p	20,575,812	20,575,812
18/05/2023	18/05/2023	18/05/2027	1.77p	20,575,812	20,575,812
29/05/2024	29/05/2024	29/05/2027	0.2p	9,750,000	9,750,000
				96,564,562	96,564,562

	Group 30 June 2024 Quantity	Group 30 June 2024 (£)
Opening balance as at 1 January 2023	-	-
New warrants issued	86,814,562	58,424
Closing balance as at 30 June 2023	86,814,562	58,424
Adjustment of warrants	-	322,317
Closing balance as at 31 December 2023	86,814,562	380,741
New warrants issued	9,750,000	-
Closing balance as at 30 June 2024	96,564,562	380,741

Note 11: Loan from related parties

	Group 30 June 2024 (£)	Group 30 June 2023 (£)	Group 31 December 2023 (£)
Amounts falling due within one year:			
Kibo Mining (Cyprus) Limited	849,253	1,231,535	849,253
Kibo Energy PLC - Management and administration services accrued	31,169	-	-
	880,422	1,231,535	849,253

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 12: Other financial liabilities

	Group 30 June 2024 (£)	Group 30 June 2023 (£)	Group 31 December 2023 (£)
Amounts falling due within one year:			
Convertible loan notes	774,890	307,559	444,100
Derivative liability	22,232	-	22,232
Director's loan accrued interest	265	-	265
RiverFort Global Advance	183,756		
	981,143	307,559	466,597
Amounts falling due between one year and five years:			
Convertible loan notes	-	494,447	318,925
RiverFort Global Advance	1,286,671		
	1,286,671	494,447	318,925
	2,267,814	802,006	785,522

Convertible loan notes

Short-term loans relate to two unsecured loan facilities from the institutional investor, which are repayable either through the issue of ordinary shares or payment of cash by the Company.

These facilities have repayment periods of between 12 and 24 months.

Derivatives

The derivative liability is derived from the convertible loan notes. The convertible feature within the convertible loan notes enables the noteholders to convert the notes into a fixed number of shares at the Fixed Premium Payment Price ('FPPP'). This price does have variability, although the FPPP is set at the reference Price. In the event that a share placing occurs at below the reference Price, the FPPP will be the share placing price (round down - feature). The conversion includes an embedded derivative as its value moves in relation to the share price (through a placing price) and it is not related to the underlying host instrument, the debt. The effect is that the embedded derivative is accounted for separately at fair value.

Note 13: 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	PSCD Power 1 Ltd
Louis Coetzee	Kibo Energy PLC and Katoro Gold PLC
Dominic Traynor	Druces LLP
Pieter Krügel	Chief Executive Officer

Other entities over which Directors/Key Management or their close family have control or significant influence:

Kibo Energy PLC:	Kibo Energy PLC is a significant shareholder of MAST Energy Developments PLC.
Ultimate shareholder:	Kibo Energy PLC
Significant shareholders:	PSCD Power 1 Ltd Kibo Mining (Cyprus) Limited (a wholly owned subsidiary of Kibo Energy 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 ARL 018 Limited ADV 001 Limited Sloane Energy Ltd
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Balances and transactions

Name	Balance at 30 June 2024 (£)	Balance at 30 June 2023 (£)	Balance at 31 December 2023 (£)
Kibo Energy PLC – Loan from related parties owing	849,253	1,231,535	849,253
Kibo Energy PLC - Management and administration services accrued	31,170		32,130
Paul Venter – Director’s loan owing (share reserve)	81,329		81,329
Paul Venter – Director’s loan owing accrued interest	265		265
Katoro Gold PLC – Receivable for management services paid on Katoro’s behalf	2,721		21,140
Druces LLP – Supplier balance for professional services	86,315		143,732

Note 14: Post Statement of Financial Position events

The Company has completed its Second Phase work programme regarding the refurbishment of the first of the Pyebridge site's three Jenbacher gensets, within budget and expected timeline. The refurbished genset commenced commercial operational running on 1 July 2024 and is generating revenue via the Pyebridge site's PPA with Statkraft. The MED management team in conjunction with its O&M contractor is monitoring the performance of the refurbished genset carefully to ensure optimal performance. Pyebridge has 3x 2.7MW gensets in operation (thus 8.1MW total), although, only one of which has been fully refurbished and is operating at optimum capacity. The next step in the 2nd Phase work programme is to perform the overhaul of the 2nd of the site's gensets, and Pyebridge signed an engineering works contract with the Pyebridge site's O&M contractor in August 2024, regarding the full long-block overhaul of the 2nd genset, and certain further essential improvements to the site.

Note 15: Commitments and contingencies

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

Note 16: Principle 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 risks;
- Regulatory risks;
- Commodity risks;
- Development and construction risks;
- Staffing and key personnel risks; and
- Information technology risks.

Funding risks

There can be no assurance that 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. Any equity funding may be subject to shareholder approvals in line with legal and regulatory requirements as appropriate. Refer to note 4 for a detailed description around funding risks in the going concern assessment.

Regulatory risks

The United Kingdom 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 market 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. The Company continually monitors this risk and, where possible, acts proactively to anticipate and mitigate any regulatory changes that may have an adverse impact on the ongoing financial viability of its projects. In order to monitor compliance with evolving UK government energy regulations, the Company subscribes to relevant environmental and energy regulation bodies updates which management reviews and makes recommendations to the Board in terms of mitigation that may be required should it become aware of any pending regulatory changes that may threaten the economic viability of its projects.

Commodity Risks

The assets that the Group manages and owns will receive revenue from the sale of energy to 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 revenues and returns.

Development and Construction Risks

The Group will continue to develop new project sites that 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 that could impair the Groups 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 the Group's 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 an 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 information technology ('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 to mitigate the risk of data loss or business interruption.

Note 17: 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 investments in subsidiaries, property plant and equipment and intangible 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.

A cash-generating unit (CGU) is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

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.

During the period no impairments have been identified.

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.

Environmental rehabilitation provisions

The Company recognises that its activities require it to have regard to the potential impact that it, its subsidiaries and partners may have on the environment. Where energy development projects are undertaken, care is taken to limit the amount of disturbance and where any remediation works are required, they are carried out as and when required.

Once commercial production is undertaken, the Group ensures adequate provisions or rehabilitation, and decommissioning is made in accordance with the relevant laws and regulations.

Fair value estimation of financial instruments

The determination of fair value for financial instruments involves significant judgment and estimation, particularly where observable market data is not available. The fair value measurements are categorized within a three-level hierarchy based on the observability of the inputs used in the valuation.

For financial instruments classified within Level 3 of the fair value hierarchy, where unobservable inputs are significant, the valuation process involves the use of assumptions about market participant behavior, including estimates of future cash flows, discount rates, and other factors that may vary with economic conditions. Management regularly reviews these estimates and assumptions to ensure that they reflect current market conditions and are reasonable and supportable. Only Level 1 and 2 inputs were provided for the financial instrument for the six month periods ended 30 June 2024 and 30 June 2023 and the year ended 31 December 2023

Warrants

For such grants of share options or warrants qualifying as equity-settled share-based payments, the fair value as at the date of grant is calculated using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options or warrants were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options or warrants that are likely to vest, except where forfeiture is only due to market-based conditions not achieving the threshold for vesting.

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 2024, which contributes significantly to the material uncertainty related to the going concern assumption applied in preparation of the financial statements. In determining whether or not the Group is able to continue as a going concern for the foreseeable future, management applies judgement in identifying the matters that give rise to the existence of the material uncertainty and in developing responses thereto in order to address the risk of material uncertainty. Refer Note 4.

Note 18: Financial instruments - Fair value and risk management

The Group's principal financial instruments comprise cash. The main purpose of these financial instruments is to provide finance for the Group's operations. The Group has various other financial assets and liabilities such as other receivables and trade payables, which arise directly from its operations.

It is, and has been throughout the 2024 and 2023 financial period, the Group's policy not to undertake trading in derivatives. The Group may however recognise derivative liabilities arising from convertible instruments.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk and capital risk. Management reviews and agrees policies for managing each of these risks which are summarised below.

Financial instruments are:

	Balance at 30 June 2024 (£)	Balance at 30 Jun 2023 (£)	Balance at 31 Dec 2023 (£)
Financial assets at amortised cost			
Trade and other receivables	131,723	78,565	122,649
Cash	251,988	8,804	252
Total financial assets	383,711	87,369	122,901
Financial liabilities at amortised cost			
Loans from related parties	(880,422)	(1,231,535)	(849,253)
Trade payables	(620,172)	(494,100)	(941,688)

Financial instruments are:

	Balance at 30 June 2024 (£)	Balance at 30 Jun 2023 (£)	Balance at 31 Dec 2023 (£)
Lease liability	(412,301)	(301,311)	(409,595)
Other financial liabilities	(1,470,692)	-	-
Financial liabilities at fair value through profit or loss			
Other financial liabilities	(774,890)	(802,006)	(763,290)
CLN Derivative liabilities	(22,232)	-	(22,232)
Total financial liabilities	(4,180,709)	(2,828,952)	(2,986,058)
Total financial instruments	(3,796,998)	(2,741,583)	(2,863,157)

Fair value measurement and fair value hierarchy

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. As the Group has minimal sales to third parties, this risk is limited.

The fair value of financial instruments is determined using the following fair value hierarchy, which categorizes the inputs used in valuation techniques into three levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. This includes:
 - Quoted prices for similar assets or liabilities in active markets.
 - Quoted prices for identical or similar assets or liabilities in markets that are not active.
 - Inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates, yield curves, credit spreads).
 - Market-corroborated inputs.
- Level 3: Unobservable inputs for the asset or liability. This level applies to fair value measurements where observable inputs are not available, requiring the use of significant judgment or estimation. These inputs reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability.

The fair value hierarchy has been applied to the financial instruments as follows:

Financial instruments are:

	Balance at 30 June 2024 (£)	Balance at 30 Jun 2023 (£)	Balance at 31 Dec 2023 (£)
Financial assets at amortised cost			
Level 2 inputs	383,711	87,369	122,901
Total financial assets	383,711	87,369	122,901
Financial liabilities at amortised cost			
Level 2 inputs	(3,383,587)	(2,026,946)	(2,200,536)
Financial liabilities at fair value through profit or loss			
Level 1 inputs	(797,122)	(802,006)	(785,522)
Total financial liabilities	(4,180,709)	(2,828,952)	(2,986,058)
Total financial instruments	(3,796,998)	(2,741,583)	(2,863,157)

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. As the Group has minimal sales to third parties, this risk is limited.

The Group's financial assets comprise receivables and cash and cash equivalents. The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. The Group's exposure to credit risk arise from default of its counterparty, with a maximum exposure equal to the carrying amount of cash and cash equivalents in its consolidated statement of financial position.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are connected or related entities.

The expected credit losses for the Group are £Nil for the six-month period ended 30 June 2023 (June and December 2023: £Nil).

Financial assets exposed to credit risk at period end were as follows:

Financial assets are:	Balance at 30 June 2024 (£)	Balance at 30 Jun 2023 (£)	Balance at 31 Dec 2023 (£)
Trade and other receivables	131,723	78,565	122,649
Cash	251,988	8,804	252
Total financial assets	383,711	87,369	122,901

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Cash forecasts are regularly produced to identify the liquidity requirements of the Group.

The Group's financial liabilities' contractual cashflows as at 30 June 2024 were:

Group (£)	Within 1 year	Later than 1 year but within 5 years	Later than 5 years
At 30 June 2024			
Loans from related parties	-	-	-
Trade and other payables	620,172	-	-
Other financial liabilities	958,911	1,286,671	-
Lease Liabilities	39,826	159,304	835,379
	1,579,083	1,445,975	835,379
At 30 June 2023			
Loans from related parties	-	-	-
Trade and other payables	494,100	-	-
Other financial liabilities	307,559	494,447	-
Lease Liabilities	39,826	159,304	866,989
	841,485	653,751	866,989

Group (£)	Within 1 year	Later than 1 year but within 5 years	Later than 5 years
At 31 December 2023			
Loans from related parties	-	-	-
Trade and other payables	941,688	-	-
Other financial liabilities	318,925	444,365	-
Lease Liabilities	39,826	159,304	851,812
	1,300,439	603,669	851,812

Interest rate risk

The Group and Company does not have significant exposure to the risk of changes in market interest rates relating to holdings of cash and short term deposits.

It is the Group and Company's policy as part of its management of the budgetary process to place surplus funds on short term deposit in order to maximise interest earned.

Group Sensitivity Analysis:

Currently no significant impact exists due to possible interest rate changes on the Company's interest bearing instruments.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust or issue new shares or raise debt. No changes were made in the objectives, policies or processes during the six-month period ended 30 June 2024. The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained losses as disclosed in the consolidated statement of changes in equity.

Fair values

The carrying amount of the Group and Company's financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair value. For those assets held at fair value (such as CLN derivative liabilities), they are remeasured at the reporting date.

Hedging

At 30 June 2023, the Group had no outstanding contracts designated as hedges.