Registered in England and Wales number 10114644

EARNZ PLC

Formerly Verditek Plc

Annual Report and Audited Financial Statements

Year Ended 31 December 2023

CONTENTS

CHAIR'S REVIEW

Verditek plc was renamed EARNZ plc with effect from 6 March 2024. References to "Verditek", "EARNZ" and "Company" throughout this report relate to EARNZ plc. References to "Verditek Group" or "Group" relate to the consolidated results and operations of the Company and its subsidiaries in the year.

The year to 31 December 2023 was operationally and commercially challenging for the Verditek Group. There had been growth in sales of Verditek's lightweight solar panel products, and previously reported collaborations to design and manufacture integrated roofing solutions were progressing. During the year, measures were taken, in the form of the factory move to Udine, Italy, to lower the cost base and take advantage of more flexible working arrangements. However, ultimately, sales did not increase at a rate sufficient to sustain the business, and despite a bond issue and share placing each of which raised £500,000 (before expenses) during the year, cash reserves were low at the end of the year and the operational business could not continue in its existing form without additional external fundraising.

On 28 February 2024, at a Company shareholder general meeting, the disposal of Verditek Italy srl and all related business assets of Verditek plc ("Solar Business") was approved, in return for satisfaction of the outstanding bonds and accrued interest. The Solar Business was disposed of on 29 February 2024. This disposal was necessary in order to satisfy outstanding creditor obligations of the Company, and to avoid putting the Company into administration. As a result of this disposal, from 1 March 2024, the Company is now regarded as an AIM Rule 15 cash shell, having ceased to own, control or conduct all, or substantially all, of its existing trading business, activities or assets.

Following the disposal of the Solar Business, the existing Board of Directors of the Company resigned with immediate effect, and a new Board of Directors was shortly thereafter appointed being John Charlton, Elizabeth Lake and myself. The Company was renamed EARNZ plc.

The Company's historic strategy had been to identify early-stage business opportunities in the clean technology sector, invest in them and see them through to commercial success. The focus following disposal of the Solar Business, is now to seek acquisition targets in the energy services sector. The Board of Directors believes that this sector presents some exciting commercial opportunities that will ultimately deliver positive shareholder value.

Under the AIM Rules for Companies ("AIM Rules"), the Company will need to make an acquisition or acquisitions which constitute a reverse takeover under AIM Rule 14 ("Reverse Takeover") within 6 months (by 31 August 2024) of becoming an AIM Rule 15 cash shell.

To enable acquisitions and to fund ongoing working capital requirements of the Company, there have been equity placements post year end in 2024. On 5 March 2024, shares were issued in the Company to raise £300,000. On 8 April 2024 the Company raised a further £3.7 million (before expenses) from the issue of 9,333,333 shares at 7.5 pence per share. Additionally, the Board of Directors has taken steps to amend the capital structure of the Company in order to reduce market volatility and increase liquidity in the Company's shares. Existing shares in the Company were consolidated, following approval at a shareholder general meeting on 4 April 2024, by exchanging each 100 existing shares for 1 new share.

OUTLOOK AND AIM RULE 15

On 1 March 2024, the Company had disposed of its operating business and became an AIM Rule 15 cash shell pursuant to the AIM Rules. As such, the Company is required to make an acquisition or acquisitions which constitute a reverse takeover under AIM Rule 14 or be re-admitted to trading on AIM as an investing company (which requires, *inter alia*, the raising of at least £6.0 million) under the AIM Rules, within six months from 1 March 2024.

The Company's strategy is to acquire businesses in the energy services sector via a reverse takeover, and it has identified certain opportunities which would constitute a reverse takeover pursuant to AIM Rule 14.

Any reverse takeover transaction will require the publication by the Company of an AIM Rules compliant admission document and will be subject to shareholder approval at a general meeting of the Company, to be convened at the appropriate time.

If the Company does not complete a reverse takeover in accordance with AIM Rule 14, or otherwise if re-admitted to trading on AIM as an investing company fails to implement its investing policy to the satisfaction of the London Stock Exchange within six months of becoming an investing company, the London Stock Exchange will suspend trading in the Company's AIM securities pursuant to AIM Rule 40.

Bob Holt,
Executive Chair
31 May 2024

STRATEGIC REPORT

The directors present their strategic report on the Group for the year ended 31 December 2023.

EARNZ plc disposed of its interests in its Solar Business on 29 February 2024. The Company's principal business going forward is targeting acquisitions in the energy services sector, with the aim of completing one or more acquisitions before 31 August 2024 in compliance with AIM Rule 15.

For a review of the business during the year, please refer to the Chair's Review on page 1-2. For an analysis of financial performance indicators, please refer to the Financial Review on page 4.

Principal risks and uncertainties facing the business

A full review of principal risks and uncertainties facing the business during the year and going forward is given on pages 5 to 7.

S172 Statement

As required by Section 172 of the Companies Act, a director of a company must act in the way he or she considers, in good faith, would likely promote the success of the company for the benefit of the shareholders. In doing so, the director must have regard, amongst other matters, to the following issues:

• the likely consequences of any decisions in the long term (see Corporate Governance Report, pages 10 to 17);

• the interests of the company's employees (see Corporate Social Responsibility report on page 22)

• the need to foster the company's business relationships with suppliers/customers and others (see Corporate Governance Report, pages 10 to 17);

• the impact of the company's operations on the community and environment (see Corporate Social Responsibility report on page 22);

• the company's reputation for high standards of business conduct (see Corporate Governance Report, pages 10 to 22); and

• the need to act fairly between members of the company (see Corporate Governance Report, pages 10 to 22).

On behalf of the Board

John Charlton
Executive Director
31 May 2024

FINANCIAL REVIEW

Income statement

During 2023, the Group's loss after taxation was £2,088,979 (2022: £1,821,567). The administrative expenses incurred for the year ended 31 December 2023 were £1,216,529 (2022: £1,610,791).

Loss per share

The basic and diluted loss per share was 0.5p (2022: 0.5p).

Financial Position

At 31 December 2023, the Group's net liabilities were £97,770 (2022: net assets of £1,697,356). This comprised total assets of £1,046,994 and total liabilities of £1,144,764. The total assets included property, plant and equipment of £97,513 (2022: £195,470).

Cashflow

The Group's cash balance at the period end was £53,918 (2022: £842,632). During the period the net cash outflow from operating activities was £1,255,697 (2022: 1,079,319) with financing activities generating net proceeds of £465,418 (2022: £1,394,143).

Dividends

No dividend is recommended (2022: £nil).

Capital management

The Board's objective is to maintain a financial position that is both efficient and delivers long term shareholder value. The Group had cash balances of £53,918 as at 31 December 2023 (2022: £842,632). The Board continues to monitor the balance sheet to ensure it has an adequate capital structure.

Key Performance Indicators

As the Group's revenues were still at an early stage during the period, the main measures of performance were the level of expenditure compared to budget and forecast expectations. Cash balances were also monitored against budget and forecast. Going forward, revenue, gross margin, EBITDA and cash will be key performance indicators for the Group and will be measured against previous performance, budget and forecasts.

Events after the reporting period

Events after the reporting period are described in Note 28 to the financial statements. Following receipt of the proceeds of share issues, the Group had cash of approximately £3.4 million on 31 May 2024.

John Charlton
Executive Director

RISK REPORT

Risk Management Framework

The Group has a risk register which includes all principal risks critical to the business both now as a cash shell and following completion of a potential reverse take over (RTO).

The Board retains responsibility and accountability for the effectiveness of the risk management framework and internal control systems. As the business grows the risks will continue to evolve and grow in complexity and so will the risk management processes. This will ensure continuous improvement in the organisation's risk maturity.

Approach to Risk Management

The Audit Committee, under delegated authority from the Board, is accountable for overseeing the effectiveness of the risk management process, including identification of the principal and emerging risks facing the Group. The Audit Committee has particular focus on those risks that affect accounting in general and safeguarding the Group's assets.

Principal Risks and Uncertainties

The current Board has identified the Group risks in relation to the status as a cash shell.

In addition, below this are the risks that were identified as relevant to the business throughout the reporting period.

DETAIL OF RISK	**MITIGATION and MANAGEMENT**	**ASSESSMENT**
Transaction risk	Under the AIM Rules, the Company will need to make an acquisition or acquisitions which constitute a reverse takeover within 6 months of becoming an AIM Rule 15 cash shell. There is a risk of failure to secure appropriate acquisitions within the regulatory timeframe. Certain opportunities have been identified and a timetable is in place with contingency included.	High risk
Underperformance of target businesses	Full legal and financial due diligence is being completed on each target business, including historical financial information. External advisors and Reporting Accountants are appointed for this work. In addition, the Directors are also completing their own due diligence. Strong management teams are in place within the target businesses.	Medium risk

DETAIL OF RISK	MITIGATION and MANAGEMENT	ASSESSMENT
Insufficient working capital	Recent fundraise exceeded expectations and full working capital model is in place which has been considered as part of the Board's going concern assessment.	Low risk
RISKS RELEVANT TO THE BUSINESS THROUGHOUT THE REPORTING PERIOD		
Failure to secure cashflow and remain a going concern, also growth ambitions might outpace cash reserves.	The Board reviewed medium to long term cashflow forecasts (including sales forecast), and aims to ensure sufficient funding was in place to meet requirements.	High risk (unchanged from prior year)
Operational failings in manufacturing process.	Technical and operational support for the factory manager was in place with an operational/quality control structure and process and a programme of regular audits of the process.	High risk (unchanged from prior year)
Products are designed for a specific segment of the market and accessing that segment needs to be done through distribution partners who typically have greater negotiating power. Poorly constructed sales contracts expose the company to punitive commercial conditions. Partnering relationships expose the Company to unlimited liabilities.	Build network of distribution partners and ensure review, challenge and understanding of standard terms and conditions of the partnerships especially payment terms and enforceability. The Company secured a single corporate counsel and has developed a suite of proforma contracts to ensure commercial negotiations begin soundly.	High risk (unchanged from prior year)
Products are not competitive on cost as the Company cannot scale up manufacturing with the existing manufacturing facilities.	Manufacturing has been moved to a larger automated modern factory unit which will allow increased productivity, improved quality and reduce costs per unit. The Group was considering collaborations to scale up manufacturing or direct investments in new manufacturing sites.	High risk (unchanged from prior year)
Factory output levels reduce, poor quality, other operational issues.	The Group had systems in place for testing of each panel, and daily production levels are monitored and reported on regularly by local management. The Group moved to a new larger factory unit with the aim of allowing increased productivity, improved quality and reduce costs per unit.	Medium risk (unchanged from prior year)

DETAIL OF RISK	MITIGATION and MANAGEMENT	ASSESSMENT
HSE violations in Group operating companies.	The Group is directly responsible for installing and auditing an HSE culture. Documented operating procedures were in place at the manufacturing facility, which have been reviewed by an external body.	Medium risk (unchanged from prior year)
Non-compliance with the UK's anti-bribery and corruption legislation given the Company's potential operations in high-risk countries.	The Company has an Ethics policy which is referenced in third party contracts and there is annual mandatory training for directors, employees and contractors.	Medium risk (unchanged from prior year)
The solar marketplace continues to have increased efficiency (power output) and increased competition.	Operational management monitored the efficiency of cells used in production of its solar panels, and seeks to remain at the forefront of technical advancements at all times.	Medium risk (unchanged from prior year)
Failure to meet AIM corporate governance requirements.	The executive benchmarked its corporate governance, policies and procedures against published QCA guidelines to ensure compliance. The Company has regular discussions with its nominated adviser and external counsel.	Low risk (unchanged from prior year)
Adverse global trading conditions with companies and countries reducing their spend on capital projects.	Contingency plans to control costs, through flex of production staff and supply chain streamlining.	Low risk (unchanged from prior year)

GOVERNANCE

BOARD OF DIRECTORS

The Board of Directors of EARNZ plc as at the date of signing the report and accounts comprised:

Bob Holt OBE (Executive Chair) – appointed 29 February 2024

Bob Holt is a highly accomplished executive with over 35 years' experience in senior leadership roles across various sectors, most recently serving as CEO of Revolution Beauty Plc after joining its board as interim COO. Prior to that, he successfully led Sureserve Group Plc as Chair, overseeing its successful turnaround that resulted in over a fivefold increase in the company's share price. He is perhaps most widely known for his role in the rise of Mears Group PLC. Since being appointed as Chair in 1996, he guided the company through its successful IPO on AIM and played a pivotal role in building its order book value to £3 billion, establishing Mears as a market leader in its sector. Bob has been awarded the OBE for his services to philanthropic causes.

John Charlton (Executive Director) – appointed 29 February 2024

John Charlton spent 28 years in various senior corporate banking and risk management roles within Barclays plc, specialising latterly in listed business service companies. He joined Sureserve Group plc as Group Company Secretary in 2017 and assisted with the successful turnaround of that business. In addition, John is Trustee and Chair of The Sureserve Foundation.

Elizabeth Lake (Non-Executive Director) – appointed 13 March 2024

Elizabeth is an accomplished executive with more than 25 years' finance and commercial experience. Previously, Elizabeth joined the board of Revolution Beauty Group as CFO in May 2022 and was instrumental in turning around the business following the suspension of its shares from trading on AIM. Prior to Revolution Beauty, she was CFO of AIM quoted, Everyman Media Group. During her time at Everyman, Elizabeth successfully led the company through the challenges presented by the Covid 19 pandemic, demonstrating her ability to navigate uncertainty with strong financial and operational acumen. Prior to Everyman, Elizabeth was Chief Financial Officer at AIM quoted, Science in Sport, and before that finance director at Hugo Boss UK and Ireland. She brings extensive UK plc experience to EARNZ having also worked in finance roles at Marks & Spencer, Pearson and Thomson Reuters. Elizabeth is ACA qualified having trained at Coopers and Lybrand (now PwC).

Linda Main (Senior Independent Non-Executive Director) – appointed 1 May 2024

Linda is a chartered accountant who retired from KPMG LLP in September 2023 after a long career leading its Capital Markets Advisory Group. Linda has advised on well over 100 IPOs and significant transactions by listed companies of all sizes ranging from start ups to members of the FTSE 100. She was also a member of the UK board of KPMG where she chaired the Risk Committee and sat on the Audit Committee. Until December 2023, Linda was a member of the London Stock Exchange's AIM Advisory Group and earlier in her career sat on a number of the Quoted Companies Alliance ("QCA")'s technical committees. She has recently joined the QCA board. Linda is a Trustee of Carers Trust, a leading charity working to transform the lives of unpaid carers. Linda will chair the Company's audit and remuneration committees.

Directors in post during the year included:
Rob Richards (Chief Executive Officer) – resigned 29 February 2024
The Rt Hon. Lord David Willetts FRS (Non-Executive Chair) – resigned 29 February 2024
George Katzaros (Non-Executive Director) – resigned 29 February 2024
Gavin Mayhew (Non-Executive Director) – resigned 2 January 2024

The Board and responsibilities

The Board holds monthly meetings to review, formulate and approve the Group's strategy, budgets, corporate actions and oversee the Group's progress towards its goals. There is an Audit Committee and a Remuneration Committee in place with formally delegated duties and responsibilities and with specific terms of reference. From time-to-time separate committees may be set up by the Board to consider specific issues when the need arises. Due to the size of the Group, the Directors have decided that issues concerning the nomination of directors will be dealt with by the Board rather than a committee but will regularly reconsider whether a nominations committee is required.

Details of board meetings held in the reporting period, and attendance of Board directors is shown below:

Board Members	**Eligible to attend**	**Attended**
Executive Directors		
Rob Richards	20	20
Non-Executive Directors		
The Rt Hon. Lord David Willetts FRS	20	20
George Francis Katzaros	19	16
Gavin Mayhew	19	17

The Audit Committee

The Audit Committee comprised The Rt Hon. Lord David Willetts FRS (resigned 29 February 2024) as Chair and Gavin Mayhew (resigned 2 January 2024) during the period. Following the resignations of these directors, the Audit Committee comprises Linda Main as Chair and Elizabeth Lake.

The Audit Committee determines the terms of engagement of the Group's auditors and will determine, in consultation with the auditors, the scope of the audit. The Audit Committee receives, and reviews reports from management and the Group's auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee has unrestricted access to the Group's auditors.

The Audit Committee Report is presented on page 17.

The Remuneration Committee

The Remuneration Committee comprised George Katzaros (resigned 29 February 2024) as Chair and Gavin Mayhew resigned 2 January 2024) during the period. Following the resignations of these directors, the Remuneration Committee comprises Linda Main as Chair and Elizabeth Lake.

The Remuneration Committee reviews the scale and structure of the executive Directors' and senior employees' remuneration and the terms of their service or employment contracts, including share option schemes and other bonus arrangements. The remuneration and terms and conditions of the non-executive Directors are set by the entire Board.

The Directors' Remuneration Report is presented on pages 19 – 21.

Investor relations

The General Meeting is the principal forum for dialogue with shareholders. Updates on the progress of the business are regularly published on the Group's website.

On behalf of the Board

John Charlton
Executive Director

CORPORATE GOVERNANCE REPORT

The Chair has overall responsibility for corporate governance and is fully committed to good corporate governance being central to the Group's approach to creating sustainable growth and enhancing long-term shareholder value. Directors are expected to always act ethically and responsibly, reflecting our core values.

The Directors recognise that good corporate governance is a key foundation for the long-term success of the Group. As the Company is listed on the AIM market of the London Stock Exchange it is subject to the continuing requirements of the AIM Rules. The Board has therefore voluntarily adopted the principles set out in the Corporate Governance Code for small and midsized companies published by the Quoted Companies Alliance ("QCA Code").

The principles are listed below with an explanation of how the Company applies each principle, and what we do and why.

QCA Code Principle	**Application** (as set out by QCA)	**What we do and why**
1. **Establish a strategy and business model which promote long-term value for shareholders**	The board must be able to express a shared view of the company's purpose, business model and strategy. It should go beyond the simple description of products and corporate structures and set out how the company intends to deliver shareholder value in the medium to long term. It should have specific long-term objectives against which it can assess whether the Company is delivering on its purpose. It should demonstrate that the delivery of long-term growth is underpinned by a clear set of values aimed at protecting the company from unnecessary risk and securing its long-term future.	The Company's strategy is explained fully within the Chair's Review section of the Report and Accounts for the year ended 31 December 2023. Our strategy is identifying potential acquisitions in the energy services sector, to create a consolidated Group with scale and breadth of offering in the energy services sector, growing revenues and profitability. The key challenges to the business and how these are mitigated are detailed on pages 5 to 7 of the Report and Accounts for the year ended 31 December 2023.
2. **Promote a corporate culture that is based on ethical values and behaviours**	The Board should embody and promote a corporate culture that is based on sound ethical values and which is supportive of the delivery of the Company's established purpose, strategy and business model. The desired culture should be reflected in the actions and decisions of the Board and executive management team. Corporate values should guide the objectives and the strategy of the Company.	The Corporate and Social Responsibility section on page 22 of the Report & Accounts for the year ended 31 December 2023 details the ethical values of the Company.
	The culture should be visible in every aspect of the business, including recruitment, nominations, training and engagement. The performance and reward system throughout the Company should reflect and reinforce the maintenance of this culture. The corporate culture should be recognisable throughout the	The Company's policies and procedures on Data Protection; Disciplinary, Dismissal and Grievance; Ethics; Share Dealing; Social Media; and Speak-Up were reviewed and updated as required and amended policies were approved by the Board during the year. The new Board is reviewing those policies and will amend as required.

QCA Code Principle	**Application** (as set out by QCA)	**What we do and why**
	disclosures in the annual report, website and any other communications by the Company, both internal and external.	These policies and procedures are made available to staff and consultants and anti-bribery and anti-corruption training and data protection training will be mandatory. Staff and consultants are encouraged to ask questions and seek clarifications from senior members of the team on these policies and procedures.
3. **Seek to understand and meet shareholder expectations**	Directors must develop a good understanding of the needs and expectations of all elements of the Company's shareholder base.	Whilst the Company is early stage, the Board is committed to returning value to shareholders through execution of our strategy
	The Board should ensure proactive engagement with shareholders on governance matters. This should be led by the Chair or, where appropriate by the Senior Independent Director. Other Directors such as the chairs of the Boards sub-committees, should make themselves available for engagement with shareholders.	The Board recognises the AGM as an important opportunity to meet shareholders. All the Directors are available to listen to the views of shareholders informally immediately after the AGM The people responsible for shareholder liaison are: The Chair The Executive Directors NOMAD (Shore Capital)
	The Board must manage shareholders' expectations and should seek to understand the motivations behind shareholder voting decisions	The Company's website maintains a channel to provide information and receive feedback from all stakeholders. In addition the Company will present results directly to Investors and provide opportunities for questions at the AGM
4. **Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long term success.**	Long-term success relies upon good relations with a range of different stakeholder groups. The board should periodically identify the company's key stakeholders – for example suppliers, customers, employees, communities, regulators, or others. The Board should understand their needs, interests and expectations. Feedback is an essential part of all control mechanisms. Systems need to be in place to solicit, consider and act on feedback from all shareholders. The Company should devote particular attention to its workforce and ensure that its practices towards it's employees (direct and indirect) are consistent with the Company's values. Arrangements should be in place to enable employees to raise concerns in	The executive maintained communications with trade and interest groups working in the markets where its products are sold and applied. A number of mechanisms are in place to solicit feedback from shareholders including the website and face to face meetings as well as the AGM Going forward, much of the Group's business will be involved in decarbonisation of public, commercial and private buildings. The Company has a whistleblowing policy in place which is given to all new employees. This provides a confidential mechanism for employees to raise concerns.

QCA Code Principle	**Application** (as set out by QCA)	**What we do and why**
	confidence and processes to ensure that such matters are considered and where appropriate actions are taken.	
	The governance and appropriate oversight of a Company's approach towards relevant environmental and social issues is a responsibility of the Board. Matters that relate to the Company's impact on society, the communities within which it operates, or the environment – including those relating to or stemming from climate change – have potential to affect the Company's ability to deliver shareholder value over the medium to long term. These matters must be integrated into the Company's strategy, risk management and business model.	The business model is focussed on decarbonisation of buildings in the public, commercial and private sector, together with energy efficiency. The culture of the business reinforces social and environmental responsibility.
5. **Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation.**	The board needs to ensure that the company's risk management framework identifies and addresses all relevant risks in order to execute and deliver on its stated purpose and strategy. Companies need to consider not only the enterprise view but also their extended business, including the company's entire supply chain, other material third parties (including suppliers of outsourced services) and any reliance on strategic partners.	Risk management on pages 5 to 7 of our Annual Report and Accounts details the risks to the business and how these are mitigated.
	Setting strategy includes determining the extent of exposure to the identified principal risks that the Company is able to bear and willing to take (risk tolerance and risk appetite). The Company should ensure that a balanced view of risk is achieve, and, as well as threats should consider opportunities and the potential for value creation.	The Board considers risks to the business at its monthly meetings and reviews the principal risks to the business and the risk register quarterly.
	The Board should ensure that all potential risks are considered, on a proportionate and material basis, including those relating to climate change.	Risks are reviewed in the business monthly and quarterly by the Board.
	The Board should review and consider whether the Company's enterprise wide controls are	The enterprise-wide controls have been reviewed post the balance sheet date and a new FPPP (Financial Position and Prospects Procedures) is in place.

QCA Code Principle	**Application** (as set out by QCA)	**What we do and why**
	sufficiently robust to manage the identified risks adequately.	
	To achieve effective risk management, the Board, and in particular the audit committee, must ensure that there are appropriate assurance activities in operation. This may be based on access to internal resources, or particularly in specialist or technical areas, the utilisation of external experts.	All Board members are entitled to engage external experts as part of their roles where they see fit.
	It is important to ensure that the Company auditor is and is seen to be sufficiently independent of management.	The Company's auditor Haysmacintyre is independent of management.
6. **Establish and maintain the Board as a well-functioning, balanced team, led by the Chair.**	The board members have a collective responsibility and legal obligation to promote the interests of the Company and are collectively responsible for defining corporate governance arrangements. The Board should not be dominated by one person or a group of people, and each Director must be able to commit the time necessary to fulfil their role. Ultimate responsibility for the quality and effectiveness of the Board lies with the Chair.	All members of the Board are experts in their fields with no one individual dominating. All Directors are seasoned Board members and understand the responsibilities of being a company Director.
	Shareholders should be given the opportunity to vote annually on the (re-) election of all individual Directors to the Board.	The shareholders have the opportunity annually at the AGM to vote for the (re-)election of all the Directors
	In order to uphold the quality of Board independence, the Board should be comprised of an appropriate balance between executive and non-executive Directors. The independent non-executive Directors should comprise at lease half of the Board. The Chair, if independent upon appointment and still considered independent can be included in this calculation. However, as a minimum there should be at least two non-executive Directors whom	The new Board comprises 2 executive Directors and 2 non-executive Directors.

QCA Code Principle	**Application** (as set out by QCA)	**What we do and why**
	the Board considers to be independent.	
	Key committees, in particular the audit committee, should comprise at least a majority of independent NEDs and ideally aim for full independence. The Company should consider whether it is appropriate to have a senior independent Director.	Both the audit and remuneration committees comprise non-executive Directors only, with Linda Main being the Senior Independent Director.
	Boards should be sensitive to both real and perceived impediments to independence. Consideration should be given to those factors which may impede independence which include length of Board tenure, size of shareholding, prior and/or current commercial or contractual relationships with the Company; prior and/or current commercial or contractual relationships with executive Directors; and significant pay arrangements beyond a Director's fee.	The Board is relatively newly constituted. Any related parties are excluded from Board discussions concerning their interests to maintain independence. Directors' remuneration is set by the remuneration committee which comprises 2 independent non-executive Directors.
7. **Maintain appropriate governance structures and ensure that individually and collectively the Directors have the necessary up-to-date experience, skills and capabilities.**	The Company should maintain governance structures and processes in line with its corporate culture and appropriate to its: • size and complexity; and • capacity, appetite and tolerance for risk.	The Corporate Governance report on pages 10 to 16 details the Company's governance structures and why they are appropriate and suitable for the Company.
	The governance structures processes and policies should evolve in parallel with its size, strategy and business model to reflect its maturity and stage of development. The Board should be supported by committees – typically at least an audit, remuneration and nominations committee – that also have the necessary skills and knowledge to discharge their duties and responsibilities effectively.	The Board has a formal schedule of matters reserved for the Board and is supported by the audit and remuneration committees. Due to the size of the Company, the Board has decided that issues concerning the nomination of Directors will be dealt with directly by the Board but will reconsider on a regular basis whether a nominations committee is needed. The audit and remuneration committees have specific terms of reference under which they operate.
	The Board should ensure it has the necessary skills and experience to fulfil its governance responsibilities, including among other things with respect to cyber security, emerging technologies, and relevant sustainability matters such as climate change. The Board should consider any need to establish further dedicated sub-committees and, where appropriate, seek input from external advisors on such matters.	The Directors have a proven track record of previously serving on Boards. Where an expert view is needed the Board will seek input from external advisors

QCA Code Principle	**Application** (as set out by QCA)	**What we do and why**
	All Directors should continually update their skills and knowledge. As the Company and the external environment evolves, the mix of skills and experience required on the Board will change. The Board should consider its training and development needs in this context, plan ahead and structure such provision accordingly	Further information about the Board's skillset, including each Director's biography is set out on the Company website and additional information is set out on page 8 in this report.
	The Board (and any committees) should be provided with high quality information in a timely manner to facilitate the proper assessment of the matter requiring decision or insight. The Board should consider this and the design and implementation of its decision making processes to ensure they are effective.	Through the FPPP process a new Board pack has been developed and this will continue to evolve as the business grows.
8. **Evaluate board performance based on clear and relevant objectives, seeking continuous improvement.**	The Board should regularly review its performance as a unit, as well as that of its committees and the individual Directors.	The Board is new, a performance evaluation process will be developed.
	The Board performance review should be carried out on an annual basis and include opportunities for improvement with respect to the performance of the Chair, and the operation of the Board and its committees. The review should identify development or mentoring needs of individual Directors and/or the senior management team. The annual review can be carried out internally and should, ideally, be supplemented periodically by an external independent third-party review. It is healthy for membership of the Board to be periodically refreshed. No member of the Board should become indispensable. Succession planning for both executives and non-executives is a vital task for Boards. This should extend to contingency planning for the absence of key staff. There should be a robust process for the orderly appointment of new Directors to the Board and senior management positions. Consideration should be given to establishing a nominations committee to help with the process and ensure a diverse pipeline – both internally and externally – for succession. The skills, experience, capabilities and background	The annual review process will be implemented post RTO, together with succession planning.

QCA Code Principle	**Application** (as set out by QCA)	**What we do and why**
	required for Directors and senior management to support the next stage of the Company's development should be identified and factored into succession planning.	
9. **Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose and culture**	It is the Boards responsibility to establish an effective remuneration policy which is aligned with the Company's purpose, strategy and culture, as well as its stage of development.	A remuneration committee has been established comprising 2 independent non-executive Directors. One of the first objectives is to design and implement a remuneration policy for the Board.
	A remuneration policy should motivate management and promote the long-term growth of shareholder value. Remuneration practices across the Company, in particular for senior management, should support and reinforce the desired corporate culture and promote the right behaviours and decisions.	The remuneration policy will include long term incentive schemes to promote long term growth of shareholder value.
	Pay structures for senior management should be simple and easy for participants to understand and foster alignment with shareholders through the building and the holding of a meaningful shareholding in the Company	The remuneration policy will include share options and a Save-As-You-Earn scheme for wider participation in shareholding across the Group.
	The remuneration committee should, as necessary, consult with other Board committees in order to set appropriate incentive targets and to appraise performance in respect of those targets.	The remuneration committee will consult with the audit committee and the Board, as appropriate, when developing the remuneration policy.
	The annual remuneration report should be put to an advisory shareholder vote. Where not mandated to be put to a binding vote, remuneration policies should at least be put to an advisory vote. Given the significance and dilutive impact of such plans, new (or significant amendments to existing) share schemes or long term incentive plans should be put to shareholder vote.	The Chair of the remuneration committee will consult with major shareholders on the design of incentives. Whilst this will not be binding, it will give shareholders the opportunity for input.
10. **Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.**	A healthy dialogue should exist between the Board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the company.	The Company encourages two-way communication with its investors and responds quickly to all queries received. The Board recognises the AGM as an important opportunity to meet private shareholders. The Directors are available to listen to the views of shareholders informally immediately following the AGM.

QCA Code Principle	**Application** (as set out by QCA)	**What we do and why**
	Appropriate communication and reporting structure should exist between the Board and all constituent parts of its shareholder base. This will assist: the communication of shareholders' views to the board; and the shareholders' understanding of the unique circumstances and constraints faced by the company.	The Chair is responsible for ensuring appropriate communication and reporting to shareholders. A range of corporate information (including Company announcements, historical annual reports and other governance related material) is also available on the Company's website.
	It should be clear where these communication practices are described (annual report or website).	The Company will disclose outcomes of all votes at shareholder meetings in a clear and transparent manner by releasing a market announcement and by including it on the Company website.

AUDIT COMMITTEE REPORT

The Audit Committee helps the Board discharge its responsibilities regarding financial reporting, external and internal audits and controls as well as reviewing the Group's annual and half-year financial statements, other financial information and internal Group reporting.

This includes:

- considering whether the Company has followed appropriate accounting standards and, where necessary, made appropriate estimates and judgments taking into account the views of the external auditors;
- reviewing the clarity of disclosures in the financial statements and considering whether the disclosures made are set properly in context;
- where the audit committee is not satisfied with any aspect of the proposed financial reporting of the Company, reporting its view to the Board of Directors;
- reviewing material information presented with the financial statements and corporate governance statements relating to the audit and to risk management; and
- reviewing the adequacy and effectiveness of the Company's internal financial controls and, review the Company's internal control and risk management systems and, except where dealt with by the Board, review and approve the statements included in the annual report in relation to internal control and the management of risk.

The Audit Committee assists by reviewing and monitoring the extent of non-audit work undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the Group's internal audit activities, internal controls and risk management systems. The ultimate responsibility for reviewing and approving the Annual Report and financial statements and the half-yearly reports remains with the Board.

For the year under review, there were no non-audit services rendered to the Group and the Company. The audit committee considered the nature and scope of engagement and remuneration paid were such that the independence and objectivity of the auditors were not impaired. Fees paid for audit services are provided in Note 6.

Significant reporting issues considered during the year included the following:

Going concern

The Committee considered the Going Concern basis on which the accounts have been prepared and can refer shareholders to the Group's accounting policy set out in Note 2.4. The directors are satisfied that the going concern basis is appropriate for the preparation of the financial statements, albeit that the directors have concluded that a material uncertainty exists as to the Company's ability to continue as a going concern beyond the AIM Rule 15 timetable, as the successful completion of any Reverse Takeover target cannot be assured at this time.

Linda Main

Chair – Audit committee

DIRECTORS' REMUNERATION REPORT

This report sets out the remuneration policy operated by the Company in respect of the Chair, Executive and Non-Executive Directors. The remuneration policy is the responsibility of the Remuneration Committee, a sub-committee of the Board. No Director is involved in discussions relating to their own remuneration.

Remuneration policy

The objective of the remuneration policy is to attract, retain and motivate high calibre executives to deliver outstanding shareholder returns and at the same time maintain an appropriate compensation balance with the other employees of the Group. There is no formal requirement for Directors to own shares in the Group.

The Remuneration Committee is comprised of independent Non-Executive Directors, and is appointed by the Board. The Remuneration Committee has terms of reference approved by the Board, which sets out a framework for determining the remuneration of the Company's Executive Chairman, Executive Directors including pension rights and compensation payments. The remuneration of Non-Executive Directors is a matter reserved for the Board. No Director or senior manager shall be involved in any decisions as to their own remuneration. The Remuneration Committee recommends and monitors the level and structure of remuneration for senior management.

The Remuneration Committee has regard to the following factors when determining remuneration:

- The pay and employment conditions across the Company and/or the Group when setting remuneration policy for Directors, especially when determining salary increases.
- The Company's appetite for risk and long term strategic goals.
- Remuneration in other companies of comparable scale

The Remuneration Committee sets appropriate Directors' compensation to reward long term success:

- A significant proportion of Executive Directors' remuneration should be structured to link rewards to corporate and individual performance and be designed to promote the long-term success of the Company. The Remuneration Committee approves the design of, and determines targets for, any performance related pay schemes operated by the Company and approves any payments made under such schemes.

The Remuneration Committee has regard to the following factors when reviewing remuneration:

- The Remuneration Committee reviews the performance of share incentive plans and discretionary bonus schemes. Each year the Remuneration Committee determines whether awards will be made, and if so, the overall amount of such awards, the individual awards to Executive Directors and other senior management and the performance targets to be used.
- The Remuneration Committee periodically reviews the ongoing appropriateness and relevance of the remuneration policy.

Directors' remuneration

The normal remuneration arrangements for Executive Directors consist of base salary, performance bonuses and other benefits as determined by the Board. The Company currently has two Executive Directors, who have service agreements that can be terminated at any time by either party giving to the other six months' written notice.

The remuneration package for an Executive Director is detailed below:

- **Base Salary:**
  Annual review of the base salary of the Executive Director considering the Executive Director's role, responsibilities and contribution to the Group performance.

- **Performance Bonus:**
  During FY23, bonus arrangements were discretionary and payable depending on the performance of the Executive Director in meeting key performance indicators and in the wider context with the performance of the Group.

  As part of the Executive Director's service agreement, there was a formula for discretionary bonus based on sales contracts. Any bonus payment to the Executive was discretionary and did not form part of the Executive's contractual remuneration. The bonus formula was as follows:

  a) a 5% commission on sales of solar panels to customers introduced by the Executive at a sales price of €1.05/watt or above, once the Executive has introduced sales that would, but for this provision, have generated a commission equal to the Executive's annual salary (£150,000),

  b) a 1% commission on sales of solar panels of 10-20MW that are realised by the Group in any year (not limited to those introduced by the Executive) at a sales price of €1.05/watt or above; and

  c) a 2% commission on sales of solar panels of in excess of 20MW that are realised by the Group in any year (not limited to those introduced by the Executive) at a sales price of €1.05/watt or above.

  No bonuses were paid in relation to the reporting period Going forward the new remuneration committee will be establishing a performance bonus scheme with relevant targets.

- **Benefits:**
  Benefits include Company pension contributions of 5%, health insurance, and life insurance

- **Longer term incentives:**
  In order to incentivise the Directors and employees, and align their interests with shareholders, the Company granted share options in previous years though no further share options were granted in the current year. The share options will vest at various future dates as described in Note 24 to the financial statements. In addition to service conditions, the vesting of the share options granted to the previous Executive Director and the Chair were subject to an earnings before interest, tax, depreciation and amortisation (EBITDA) performance condition. Following a review at the period end, it has been determined that it is not likely that any of the performance related conditions will be met.

Going forward, the Remuneration Committee are working on a new Long Term Incentive Plan.

Non-Executive Directors are remunerated solely in the form of Directors' fees and pension contributions.

At the last Annual General Meeting held on 25th July 2023, there was an ordinary resolution for shareholders to cast an advisory vote on the directors' remuneration for the year ended December 2022, as set out in the Directors' Remuneration Report included in the 2022 Annual Report and Accounts. There were 73,972,137 votes cast in favour, and 2,122,433 against. The resolution was duly passed with 97.21% in favour.

DIRECTORS' REMUNERATION REPORT (Continued)

Re-election of Directors

All Directors stand for re-election on an annual basis and all Directors are aware of the need to maintain their independence and to demonstrate their continued commitment to the role. Succession planning is limited due to the current size of the Board.

The remuneration of the Directors in EARNZ plc who held office during the years to 31 December 2023 and 2022 were as follows:

The emoluments of the Directors were as follows (Audited):					
	Year ended 31 December 2023				Year ended 31 December 2022
	Salary & Directors' fees	Pension Contributions	Share-based payment	Total	Total
	£	£	£	£	£
Executive directors					
Robert Richards	150,000	-	-	150,000	236,715
Non-executive directors					
The Rt Hon. Lord David Willetts FRS	25,000	-	-	25,000	73,330
George Katzaros	12,500	-	-	12,500	25,000
Gavin Mayhew	-	-	-	-	30,000
Total	**187,500**	**-**	**-**	**187,500**	**365,045**

In previous years, between 2018 and 2021, 4,500,000 share options had been issued to Lord Willetts, and 14,000,000 share options had been issued to Robert Richards. 15,800,000 of these options had performance conditions attached to them. At the year end, following a review of these performance conditions, it was assessed that none of these options would vest. There is a credit to the income statement in the year of £154,001 in respect of amounts previously recognized for these options. Therefore at the period end, there are 1,500,000 vested share options held by The Rt Hon. Lord David Willetts FRS and 1,200,000 vested share options held by Robert Richards: details are shown in Note 24. No options were exercised in the year. At 31 December 2023 the directors held 2,700,000 options, all of which had vested.

Linda Main

Chair – Remuneration committee

CORPORATE AND SOCIAL RESPONSIBILITY

The Company understands that its impact reaches beyond that of its core business and into the environment and society in which it operates. With integrity at the heart of our corporate social goals our aim is to make a lasting positive contribution to all our stakeholders.

In view of the limited number of stakeholders, the Company has not adopted a specific policy on Corporate Social Responsibility. However, it does seek to protect the interests of stakeholders in the Company through its policies, combined with ethical and transparent business operations.

Environment

EARNZ Plc is sensitive to the environment in which it operates. Previously the Group established well defined operating guidelines with some of the manufacturing partners where it sought their compliance with ISO14001 (a recognized standard for Environmental Management Systems) when relevant, to ensure certain environmental standards are complied with. Going forward the Company will be operating in the energy services sector, and as such will be instrumental in assisting with the delivery of de-carbonisation across the public and private sector.

Human Rights

EARNZ plc is committed to socially and morally responsible research, development and manufacturing processes for the benefit of all stakeholders. The activities of the Company are in line with applicable laws on human rights.

Employees

Employees are key to achieving the business objectives of the Company. The Board's priority is to provide a working environment in which our employees can develop to achieve their full potential and have opportunities for both professional and personal development. We aim to invest time and resource to support, engage and motivate our employees to feel valued, to be able to develop rewarding careers and want to stay with us. The Company embraces employee participation in issue raising and resolution through regular meetings with managers and values contributions from all levels regardless of their position in the business.

Shareholders

The Board of Directors actively encourages communication and they seek to protect the interest of shareholders at all times. The Company updates shareholders regularly through regulatory news, financial reports and research notes. The Company also engages directly with investors at our General Meetings or investor events.

Health and Safety

Company and Group activities are carried out in accordance with its health and safety policy which adheres to all applicable laws. Health and Safety procedures were reviewed by an external organization in Italy during the year.

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for EARNZ plc ("EARNZ" or the "Company") for the year ended 31 December 2023.

The preparation of financial statements is in compliance with UK adopted International Accounting Standards and the Companies Act 2006. The Group financial statements comprise of the financial information of the parent Company and its subsidiaries (together the "Group"). The parent Company's financial statements present information about the Company as a separate entity and not about its Group.

Principal activities

EARNZ plc is a holding company based in UK. The principal activity of the Group is to develop and commercialise clean technologies.

A detailed review of the business activities of the Group is contained in the Strategic Report.

Business review and future developments

The review of the business's operations, future developments and key risks is contained in the Strategic Report. The Directors do not recommend the payment of a final dividend for the year (2022: £nil).

Directors and directors' interests

The directors who held office during the year or subsequently were as follows:

The Rt Hon. Lord David Willetts FRS	Resigned 29 February 2024
George Francis Katzaros	Resigned 29 February 2024
Gavin Mayhew	Resigned 2 January 2024
Robert Richards	Resigned 29 February 2024
Bob Holt	Appointed 29 February 2024
John Charlton	Appointed 29 February 2024
Elizabeth Lake	Appointed 13 March 2024

With regard to the appointment and replacement of Directors, the Company is governed by its articles of association, the Companies Act and related legislation. The articles themselves may be amended by special resolution of the shareholders.

DIRECTORS' REPORT (Continued)

Directors' interests

The Directors held the following beneficial interests in the shares of Verditek plc at 31st December 2023:

	Note	Ordinary shares of £0.0004 each	Issued share capital %
George Katzaros	1.1	26,166,675	5.90%
Gavin Mayhew	1.2	47,157,381	10.63%
Robert Richards		2,437,833	0.55%

Notes

1.1 Shares held by George Katzaros	
- Direct	9,000,000
- through Blueview Business Ltd	10,550,000
- through MF Ltd	5,900,000
- Subtotal	25,450,000
- Family member	716,675
	26,166,675

1.2 Shares held by Gavin Mayhew	
- through Vidacos Nominees Limited	46,457,381
- through Platform Securities Nominees Limited	700,000
	47,157,381

At the reporting date, the new Board of Directors have bought ordinary shares in the Company as follows:

	Note	Ordinary shares of £0.04 each	Issued share capital %
Robert Holt		4,666,666	7.42%
John Charlton		333,333	0.53%
Elizabeth Lake		1,333,333	2.12%

Through family holdings, Bob Holt has interest in a further 133,333 shares bringing his total interest to 7.63%, and John Charlton has interest in a further 1,333 shares with his total interest remaining at 0.53%.

Directors' indemnities

The Company has taken out Directors' and Officers' indemnity insurance for the benefit of its Directors.

Events after the reporting date

See Note 28 of the accounts.

Financial Risk management

Details of financial risk management are provided in Note 3 to the accounts.

Political and charitable contributions

The Group made no charitable or political contributions during the year.

DIRECTORS' REPORT (Continued)

Going Concern

Following the Disposal, the Company has ceased to own, control, or conduct all or substantially all its previous trading business, activities and assets and, on 1 March 2024, became an AIM Rule 15 cash shell.

As such, the Company is required to make an acquisition or acquisitions which constitute a reverse takeover under AIM Rule 14 ("Reverse Takeover") or be re-admitted to trading on AIM as an investing company (which requires, inter alia, the raising of at least £6.0 million) under the AIM Rules, within the date falling six months from 1 March 2024.

If the Company does not complete a Reverse Takeover in accordance with AIM Rule 14, or otherwise if re-admitted to trading on AIM as an investing company fails to implement its investing policy to the satisfaction of the London Stock Exchange within twelve months of becoming an investing company, the London Stock Exchange will suspend trading in the Company's AIM securities pursuant to AIM Rule 40.

Accordingly, the Company will evaluate opportunities in the energy services sector, seeking to identify one or more companies, which would constitute a Reverse Takeover under AIM Rule 14.

Following the Board changes in March and May 2024, the monthly cost of maintaining the Company has reduced.

The Directors have a clear strategy to identify Reverse Takeover targets and have a number of opportunities in the pipeline. The Directors believe that the cash resources of the Company are sufficient to cover the costs of a Reverse Takeover.

As the successful completion of any Reverse Takeover target cannot be assured at this time, the directors have concluded that a material uncertainty exists as to the Company's ability to continue as a going concern beyond the AIM Rule 15 timetable. This uncertainty arises primarily because should the Company's shares be suspended from trading on AIM on 1 September 2024 or its listing is subsequently cancelled, the Directors believe that the Company's ability to raise finance for the longer term would be significantly impaired.

Notwithstanding the above, as at the date of approval of the financial statements, the base case cash flow forecast indicated that no additional cash resources will be required over the course of the next 12 months. The directors therefore consider the Group and the Company to be a going concern and have therefore prepared these financial statements on the going concern basis.

Substantial shareholdings:

The Company has been advised of the following interests in more than 3% of its ordinary share capital as at 31 December 2023:

Shareholder	No. of Shares (nominal value £0.0004)	%
Hargreaves Lansdown (Nominees) Limited	119,002,785	21.5%
Peel Hunt Partnership Limited	90,587,529	16.3%
Vidacos Nominees Limited	69,982,734	12.6%
Pershing Nominees Limited	49,305,888	8.9%
Interactive Investor Services Nominees Limited	31,781,855	5.7%
HSDL Nominees Limited	23,629,821	4.3%
The Bank Of New York (Nominees) Limited	20,470,495	3.7%
Platform Securities Nominees Limited	18,331,941	3.3%

At the signing date the Company had been advised of the following interests in more than 3% of its ordinary share capital:

Shareholder	**No. of Shares (nominal value £0.004)**	**%**
Gresham House	6,287,982	10.00%
G Force Capital	5,700,000	9.06%
Bob Holt (Executive Chair)	4,799,999	7.63%
Oakglen Wealth Limited	3,666,666	5.83%
Pentwater Capital Management Europe LLP	2,466,666	3.93%
Trium Capital	2,000,000	3.18%
First Equity Limited	2,000,000	3.18%

Statement of Disclosure to the Auditors

The Directors of the Company at the date of approval of this report confirm that:

- As far as each director is aware, there is no relevant audit information of which the Company's and the Group's auditor is unaware; and
- each Director has taken all reasonable steps that they ought to have taken as a Director to make themselves aware of any relevant information and to establish that the Company's and the Group's auditor is aware of that information.

Auditors appointment

Haysmacintyre LLP has been appointed as auditor, and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board

John Charlton
Executive Director

31 May 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law the Directors have elected to prepare the Group consolidated financial statements in accordance with UK adopted International Accounting Standards (UK IAS) and elected to prepare the parent company financial statements under United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws including FRS 101 Reduced Disclosure Framework).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing each of the Group and Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with UK-adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) have been followed, subject to any material departures disclosed and explained;
- Prepare the Strategic Report and Directors' report which comply with the requirements of the Companies Act 2006; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also generally responsible for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Information published on the website is accessible in many countries and legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. Each of the directors confirms that, to the best of their knowledge:

The Group financial statements, which have been prepared in accordance with UK IAS and Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and the Annual Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EARNZ PLC

Qualified opinion

We have audited the financial statements of EARNZ plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice.)

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

• give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2023 and of the group's loss for the period then ended;
• the Group financial statements and Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and United Kingdom Accounting Standards FRS 101 respectively; and
• have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

We were not appointed as auditor of the parent company until after 31 December 2023 and thus did not observe the counting of physical inventories at the end of the year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 31 December 2023, which are included in the balance sheet at £560,038, by using other audit procedures. Consequently, we were unable to determine whether any adjustment to this amount was necessary. In addition, were any material adjustment to the inventory balance to be required, the strategic report would also need to be amended.

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

Material uncertainty related to going concern

We draw attention to Note 2.4 in the financial statements, which indicates that following the post balance sheet disposal of the trading subsidiary, a material uncertainty exists regarding the successful completion of any reverse takeover within the AIM Rule 15 timetable required for going concern. As stated in Note 2.4, these events or conditions, along with other matters as set forth in Note 2.4, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included the following procedures:

- Obtaining and reviewing the directors' going concern assessment which included a working capital forecast for a period spanning at least 12 months from the date of approval of the financial statements;
- We reviewed the cash balance as at the date of approval to ensure this was sufficiently in line with the working capital forecast prepared for the going concern assessment;
- We ensured that the working capital forecast prepared was arithmetically correct;
- We evaluated judgements made by the directors in determining that a material uncertainty existed to ensure that these were reasonable, this included engaging in discussions with the directors regarding their assessment;
- We agreed significant expected cash outflows in the working capital forecast to supporting documentation to ensure these were based on accurate information;
- We ensured that reasonable sensitivity analysis applied to the working capital forecast did not results in a reasonably plausible alternative scenario whereby the Group would not be considered a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

An overview of the scope of our audit

The Group comprises a parent holding company, one trading subsidiary and a number of dormant entities. The scope of our work was the audit of the financial statements of the Group and its trading subsidiary being the only material components of the Group with the Parent company being audited for statutory purposes. The trading subsidiary Verditek Solar S.r.l. was not subject to statutory audit however, in forming an opinion on the Group we have performed audit procedures on Verditek Solar S.r.l. that are comparable to that of a full statutory audit.

As the subsidiary was based in Italy, we have engaged with local component auditors to complete our planned audit procedures and we have subsequently reviewed these and engaged in discussions with the component auditors to ensure we have sufficient audit evidence to be able to form an opinion on the Group.

The scope of the audit and our audit strategy was developed by using our audit planning process to obtain and update our understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement at the group level. Audit work to respond to the assessed risks was performed directly by the audit engagement team who performed full scope audit procedures on the parent company and the Group as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the basis for qualified opinion section and in addition to the material uncertainty in relation to going concern section above, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
Fraud in revenue recognition	In order to address the risks associated with the revenue our audit procedures consisted of but were not limited to:

Key Audit Matter	How our scope addressed this matter
The Group has one revenue stream. Details of the accounting policies applied are given in note 2.15. We consider there to be a significant risk of misstatement of the financial statements related to transactions occurring close to the year end, as transactions could be recorded in the incorrect financial period (cut off), and also in relation to the occurrence of the revenue recognised. Management make judgements in relation to revenue recognition for the sale of solar panels under IFRS 15. These include determining EARNZ's performance obligations in its contracts with customers and whether as at the reporting date, the group has completed its performance obligations.	• assessing whether revenue had been recognised in accordance with the Group's accounting policy and IFRS 15 requirements; • considering if revenue was recognised appropriately based on whether the Group had completed its performance obligations under the contract prior to the reporting date by reference to its obligations stated in the customer contracts; and • reviewing any other terms within the contracts had considering any material accounting or disclosure implications. We also performed a cash to revenue reconciliation, tested a sample of sales orders raised one month either side of the year-end and obtained and critically evaluated management's revenue recognition policy and whether this was in line with IFRS 15.
Inventory There is a risk in relation to inventory existence, valuation and cut off. Inventory is a material component of the balance sheet and by its nature is susceptible to misstatement. The inventory obsolescence provision is a key area of judgement and there is a risk that the inventory provision is not sufficient to cover any obsolete stock held at the year-end.	In order to address the risks associated with inventory our audit procedures consisted of but were not limited to: • We selected a sample of inventory to ensure they are valued at the lower of cost and NRV. We also reviewed estimation techniques used in the valuation, including review of overhead absorption. • We obtained a list of obsolete/slow-moving stock and considered if a provision is required. • For cut off we obtained support for a sample of December 23 and January 24 warehouse movements and agreed to support, including delivery notes and invoices, to verify if the Company recorded them correctly based on applicable incoterms.

Key Audit Matter	How our scope addressed this matter
	• We confirmed that there were no credit notes issued post year-end relating to the stock sold. • We reviewed the capitalisation of employee time for internal staff and external contractors. We agreed a sample of capitalised time back to timesheet data and independently assessed whether sufficient economic benefits were likely to flow from the projects to support the values capitalised. • We were unable to attend the year end inventory count as mentioned in the basis for qualified opinion section of our audit report

Our application of materiality

The scope and focus of our audit were influenced by our risk assessment and application of materiality. We define materiality as the magnitude of misstatement that could reasonably be expected to influence the economic decisions of the users of the financial statements. We use materiality to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Materiality for the financial statements as a whole was set at £66,000, determined by reference to 5% of normalised loss before tax (loss before tax excluding impairment of an asset relating to an earn out). We have reported to the audit committee any corrected or uncorrected misstatements arising exceeding £3,000. Performance materiality was set at £43,000, being 65% of materiality.

Component materiality for the parent company and subsidiaries was set at £49,000, with reference to a benchmark of Group materiality.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the inventory quantities of £560,038 held at 31 December 2023. We have concluded that where the other information refers to the inventory balance or related balances such as cost of sales, it may be materially misstated for the same reason.

Opinions on other matters prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:
• the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
• the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Arising solely from the limitation on the scope of our work relating to inventory, referred to above:
• we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
• we were unable to determine whether adequate accounting records have been kept.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:
• or returns adequate for our audit have not been received from branches not visited by us; or
• the parent company financial statements are not in agreement with the accounting records and returns; or
• certain disclosures of directors' remuneration specified by law are not made

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 27, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements for the business and trade regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

− Inspecting correspondence with regulators and tax authorities;
− Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
− Evaluating management's controls designed to prevent and detect irregularities;
− Identifying and testing journals, in particular journal entries which shared key risk characteristics; and
– Challenging assumptions and judgements made by management in their critical accounting estimates

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Jonathan Maddison
(Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP
Statutory Auditors
31 May 2024

10 Queen Street Place
London
EC4R 1AG

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 31 December 2023 £	Year ended 31 December 2022 Restated* £
Revenue	4	606,260	417,457
Direct costs		(864,071)	(670,547)
Administrative expenses		(1,216,529)	(1,610,791)
Operating loss	6	**(1,474,340)**	**(1,863,881)**
Other (expense) / income	5	(556,783)	91,933
Finance income		3,722	2,084
Finance costs	8	(61,578)	(73,604)
Loss before tax		**(2,088,979)**	**(1,843,468)**
Income Tax	9	-	21,901
Loss for the period		**(2,088,979)**	**(1,821,567)**
Other comprehensive income			
Items that will or may be reclassified to profit or loss:			
Translation of foreign operations		(17,137)	43,333
Total comprehensive loss for the period		**(2,106,116)**	**(1,778,234)**
Loss for the period attributable to:			
Owners of the parent Company		(2,088,979)	(1,821,567)
		(2,088,979)	**(1,821,567)**
Total comprehensive loss for the period attributable to:			
Owners of the parent Company		(2,106,116)	(1,778,234)
		(2,106,116)	**(1,778,234)**
Loss per ordinary share - basic and diluted (p)	10	(0.5)	(0.5)

*See Note 27 for details of the restatement.

The accompanying notes are an integral part of these financial statements.

All amounts are derived from continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 31 December 2023 £	At 31 December 2022 Restated* £	At 1 January 2022 Restated* £
Assets				
Non-current assets				
Investments		-	-	990,000
Other receivables	12	-	556,783	-
Property, plant and equipment	13	97,513	195,470	300,082
Right of use asset	15	306,085	48,902	142,391
Total non-current assets		**403,598**	**801,155**	**1,432,473**
Current assets				
Inventories	16	419,020	534,959	657,151
Trade and other receivables	17	170,458	148,593	392,193
Cash and cash equivalents	18	53,918	842,632	237,613
Total current assets		**643,396**	**1,526,184**	**1,286,957**
TOTAL ASSETS		**1,046,994**	**2,327,339**	**2,719,430**
Equity and liability				
Non-current liabilities				
Loans and borrowings	20	522,587	-	277,080
Lease liabilities	22	93,756	-	90,687
Total non-current liabilities		**616,343**	**-**	**367,767**
Current liabilities				
Trade and other payables	19	283,742	289,995	411,213
Loans and borrowings	20	-	310,306	-
Provisions	21	30,212	-	-
Lease liabilities	22	214,467	29,682	69,737
Total current liabilities		**528,421**	**629,983**	**480,950**
TOTAL LIABILITIES		**1,144,764**	**629,983**	**848,717**
Equity				
Share capital	23	221,860	177,417	136,883
Share premium	23	12,626,283	12,205,726	10,761,055
Share-based payment reserve	24	178,796	332,806	213,134
Accumulated losses		(13,115,733)	(11,026,754)	(9,205,187)
Foreign exchange reserve	25	(8,976)	8,161	(35,172)
Equity attributable to equity		**(97,770)**	**1,697,356**	**1,870,713**
Non-controlling interests*	27	-	-	-
Total shareholder's equity		**(97,770)**	**1,697,356**	**1,870,713**
TOTAL EQUITY AND LIABILITIES		**1,046,994**	**2,327,339**	**2,719,430**

*See Note 27 for details of the restatement.

These financial statements were approved and authorised for issue by the Board of directors on 31 May 2024 and were signed on its behalf by:

John Charlton
Executive Director

Company Registration Number: 10114644

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Share capital	Share Premium	Share-based payment reserve	Accumulated losses	Foreign Exchange reserve	Non-Controlling interests	Total
	£	£		£	£	£	£
Balance as previously stated as at 1-Jan-22	**136,883**	**10,761,055**	**213,134**	**(9,098,300)**	**(35,172)**	**(106,887)**	**1,870,713**
Prior year adjustment*	**-**	**-**	**-**	**(106,887)**	**-**	**106,887**	**-**
Balance as at 1-Jan-22 Restated*	**136,883**	**10,761,055**	**213,134**	**(9,205,187)**	**(35,172)**	**-**	**1,870,713**
Loss for the year	-	-	-	(1,821,567)	-	-	**(1,821,567)**
Translation of foreign subsidiary	-	-	-	-	43,333	-	**43,333**
Total comprehensive loss	**-**	**-**	**-**	**(1,821,567)**	**43,333**	**-**	**(1,778,234)**
Issue of shares net of expenses	40,534	1,444,671	-	-	-	-	**1,485,205**
Share-based payment	-	-	119,672	-	-	-	**119,672**
Balance as previously stated as at 31-Dec-22	177,417	12,205,726	332,806	(10,971,011)	6,245	(106,887)	**1,644,296**
Net prior year adjustment impact on retained earnings for 2022	-	-	-	(55,743)	1,916	106,887	**53,060**
Balance as at 31-Dec-22 Restated*	**177,417**	**12,205,726**	**332,806**	**(11,026,754)**	**8,161**	**-**	**1,697,356**
Loss for the year	-	-	-	(2,088,979)	-	-	**(2,088,979)**
Translation of foreign subsidiary	-	-	-	-	(17,137)	-	**(17,137)**
Total comprehensive loss	**-**	**-**	**-**	**(2,088,979)**	**(17,137)**	**-**	**(2,106,116)**
Issue of shares net of expenses	44,443	420,557	-	-	-	-	**465,000**
Share-based payment			(154,010)	-	-	-	**(154,010)**
Balance as at 31-Dec-23	**221,860**	**12,626,283**	**178,796**	**(13,115,733)**	**(8,976)**	**-**	**(97,770)**

*See Note 27 for details of the restatement.

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31 December 2023	Year ended 31 December 2022 Restated*
	£	£
Cash flows from operating activities		
Loss before tax	(2,088,979)	(1,843,468)
Adjustments for:		
Finance costs	61,578	73,604
Finance income	(3,722)	(2,084)
Impairment of ICSI receivable	556,783	125,486
Depreciation and amortisation	223,340	195,555
Loss on disposal of assets	50,167	501
Share-based payment	(154,010)	119,672
Remeasurement of assets	-	(78,323)
	(1,354,843)	**(1,409,057)**
Working capital adjustments		
(Increase) / Decrease in inventory	115,939	122,192
(Increase) / Decrease in trade and other receivables	(24,884)	160,251
Increase / (Decrease) in trade and other payables	8,091	(97,847)
Cash used in operations	**(1,255,697)**	**(1,224,461)**
Taxation	-	145,142
Net cash outflow from operating activities	**(1,255,697)**	**(1,079,319)**
Investing activities		
Sale consideration received (ICSI)	-	307,731
Purchase of property, plant and equipment	(2,039)	(19,540)
Net cash outflow from investing activities	**(2,039)**	**288,191**
Financing activities		
Proceeds from issue of ordinary share capital (net of expenses)	-	1,485,205
Issue of new shares (net of expenses)	465,000	-
Loan interest paid	(15,229)	(22,210)
Interest received	3,722	2,084
Proceeds from loans	500,000	-
Repayments of loans [(Refer note 20)]	(324,858)	-
Payments of lease liabilities	(163,217)	(70,936)
Net cash inflows from financing activities	**465,418**	**1,394,143**
Net increase/(decrease) in cash and cash equivalents	**(792,318)**	**603,015**
Cash and cash equivalents at the beginning of the year	842,056	237,613
Exchange gains/(losses) on cash and cash equivalents	4,180	2,004
Cash and cash equivalents at the end of the year	**53,918**	**842,632**

The accompanying notes are an integral part of these financial statements.

*See Note 27 for details of the restatement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

EARNZ Plc ("EARNZ", "Company") is a public limited company incorporated, registered and domiciled in England and Wales (registration number 10114644), whose shares are quoted on the AIM on the London Stock Exchange. Its registered office is located at First Floor, Holborn Gate, 330 Holborn, London WC1V 7QT.

EARNZ is the holding company of a group of companies that were engaged in the clean technology sector during this reporting period. On 1 March 2024, the Company had disposed of its operating business and became an AIM Rule 15 cash shell pursuant to the AIM Rules.

The consolidated financial statements comprised of the Company and its subsidiaries (together referred to as "the Group") as at and for the year to 31 December 2023. The parent Company financial statements present information about the Company as a separate entity and not about its Group.

The comparative financial information is for the year ended 31 December 2022.

2. Accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

2.1. Basis of preparation

The financial statements have been prepared in accordance with UK adopted International Financial Reporting Standards (UK IFRS) and those part of the Companies Act 2006 applicable to companies reporting under IFRS. IFRS consists of standards issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the UK.

The financial statements have been prepared on the historical cost basis except for certain assets which are stated at their fair value.

The consolidated financial statements are presented in GBP, which is also the Company's functional currency.

2.2. Basis of consolidation

The financial information consolidates the financial statements of EARNZ plc, and the entities controlled by the Company.

2.2.1. Subsidiaries

Subsidiaries are all entities (including special purpose entities) over whose financial and operating policies the Group has the power to govern, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of the potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3. Changes in accounting policies and disclosures:

2.3.1. New standards, interpretations and amendments adopted in these financial statements:

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)

The amendments listed above did not have any impact on the amounts recognised in prior periods and do not significantly affect the current or future periods.

2.3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company in the 31 December 2023 financial statements:

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group.

Effective from 1 January 2024:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback). In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants) Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date.

In June 2023, the International Sustainability Standards Board (ISSB) issued its first two standards which are effective from 1 January 2024.

- IFRS S1 General requirements for disclosure of sustainability-related financial information. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

- IFRS S2: Climate-related disclosures. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

Effective from 1 January 2025:

- Amendments to IAS 21 to clarify the accounting when there is a lack of exchangeability on foreign currency.

The Group will continue to assess any impact on the Group from the adoption of these amendments. It is not anticipated that any of these will have a material impact on the Group's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4. Going concern

Following the Disposal, the Company has ceased to own, control, or conduct all or substantially all its previous trading business, activities and assets and, on 1 March 2024, became an AIM Rule 15 cash shell.

As such, the Company is required to make an acquisition or acquisitions which constitute a reverse takeover under AIM Rule 14 ("Reverse Takeover") or be re-admitted to trading on AIM as an investing company (which requires, inter alia, the raising of at least £6.0 million) under the AIM Rules, on or before the date falling six months from 1 March 2024.

If the Company does not complete a Reverse Takeover in accordance with AIM Rule 14, or otherwise if re-admitted to trading on AIM as an investing company fails to implement its investing policy to the satisfaction of the London Stock Exchange within twelve months of becoming an investing company, the London Stock Exchange will suspend trading in the Company's AIM securities pursuant to AIM Rule 40.

Accordingly, the Company will evaluate opportunities in the energy services sector, seeking to identify one or more companies which the Company can acquire, which would constitute a Reverse Takeover under AIM Rule 14.

Following the Board changes in March and May 2024, the monthly cost of maintaining the Company has reduced.

The directors have a clear strategy to identify Reverse Takeover targets and have a number of opportunities in the pipeline. The cash resources of the Company are sufficient to cover the costs of a Reverse Takeover.

As the successful completion of any Reverse Takeover target cannot be assured at this time, the directors have concluded that a material uncertainty exists as to the Company's ability to continue as a going concern beyond the AIM Rule 15 timetable. This uncertainty arises primarily because should the Company's shares be suspended from trading on AIM or its listing is cancelled, the Company's ability to raise finance for the longer term would be significantly impaired.

Notwithstanding the above, as at the date of approval of the financial statements, the base case cash flow forecast indicated that no additional cash resources will be required over the course of the next 12 months. The directors therefore consider the Group and the Company to be a going concern and have therefore prepared these financial statements on the going concern basis.

Management has successfully raised money in the past, but there is no guarantee that adequate funds will be available when needed in the future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5. Foreign currency

The Group's consolidated financial statements are presented in Sterling. The functional currencies of the Group's subsidiaries include the Euro and the US dollar. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

The assets and liabilities of foreign operations are translated into sterling at the rate of exchange ruling at the reporting date. Income and expenses are translated at weighted average exchange rates for the period. The exchange differences arising on translation for consolidation are recognized in Other Comprehensive Income.

2.6. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including the two main directors and two non-executive directors.

The Board considers that the Group's activity constitutes one operating and one reporting segment, as defined under IFRS 8. Management reviews the performance of the Company by reference to total results against budget.

The total profit measures are operating profit and profit for the period, both disclosed on the face of the income statement. No differences exist between the basis of preparation of the performance measures used by management and the figures in the Group's financial information.

2.7. Share-based payments

The Group has issued share options to one Non-Executive Director and one Executive Director, in return for which the Group receives services from the Non-Executive Director. The fair value of the services received in exchange for the grant of the options is recognised as an expense. The Group valued the options at the grant date using the Black Scholes valuation model to establish the relevant fair values.

The total amount to be expensed is determined by reference to the fair value of the options granted but excluding the impact of any service or non-market performance vesting conditions (for example the requirement of the grantee to remain an employee of the Group).

Non-market vesting conditions are included in the assumptions regarding the number of options that are expected to vest. The total expense is recognised over the vesting period. At the end of each period the Group revises its estimates of the number of options expected to vest based on the non-market vesting conditions. It recognises the impact of any revision in the income statement with a corresponding adjustment to equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.8 Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities.

2.8. Property, plant and equipment

Property, plant and equipment is stated at historic cost, including expenditure that is directly attributable to the acquired item, less accumulated depreciation and impairment losses.

Depreciation is provided to write off cost, less estimated residual values, of all property, plant and equipment, evenly over their expected useful lives, when the asset is available for use, and calculated at the following rates:

Leasehold improvements	- straight line over 5 years
Plant and machinery	- straight line over 7-10 years
Computer equipment	- straight line over 3 years

The carrying value of the property, plant and equipment is compared to the higher of value in use and the fair value less costs to sell. If the carrying value exceeds the higher of the value in use and fair value less the costs to sell the asset, then the asset is impaired, and its value reduced by recognising an impairment provision.

2.9. Leased asset

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, which comprises of the building, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets, which are expensed to the profit & loss over the expense term.

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, plus any initial direct costs incurred, plus any costs associated with restoring the asset to its original condition, less any lease incentive received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The lease liability is measured at amortised cost using the effective interest method. The liability recognised at inception of the lease comprises the present value of future payments payable under the lease contract, discounted at the rate implicit in the lease. If there is no discount rate implicit in the lease, then the incremental rate of borrowing is used. The liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount has been reduced to zero.

2.10. Financial Instruments

The Group classifies a financial instrument, or its component parts, as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.10.1. Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), and investments in particular at fair value through profit or loss (“FVTPL”),

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them, with the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is de-recognised, modified, or impaired.

The Group’s financial assets at amortised cost includes trade receivables and loans to related parties, are included under other current financial assets. In the periods presented the Group does not have any financial assets categorised as FVOCI.

Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.10.2. Financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Financial instruments are assessed at inception to identify and any component equity features, such as embedded derivatives, that need to be separated.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Equity instruments are recognized at inception at fair value, with a corresponding reduction in the associated liability. The Group has not designated any financial liability as at fair value through profit or loss. The Group has identified an embedded derivative in its convertible loan note instrument, but has determined that the value is not material enough to require separation. The judgement of this is described in more detail in Note 2.18.2.

Loans after initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled, or expires.

2.10.3. Impairment

The Group assesses all other current receivables on a forward-looking basis, with expected credit losses (ECL) associated with debt instruments measured at amortised cost. These are deemed short term (i.e., less than 12 months) and apply the Group policy for credit rating and risk management policies in place.

The impairment stages are defined as:
Stage 1 – When a receivable is recognised, ECLs resulting from default events that are possible within the next 12 months are expensed to the statement of comprehensive income (12-month ECL) and a loss allowance is established. On subsequent reporting dates, the 12-month ECL also applies to existing receivables with no significant increase in credit risk since their initial recognition. In determining whether a significant increase in credit risk has occurred since initial recognition, the Company assesses the change, if any, in the risk of default over the expected life of the receivable (that is, the change in the probability of default, as opposed to the amount of ECLs).

Stage 2 – If the receivables credit risk has increased significantly since initial recognition and is not considered low, lifetime ECLs are recognised.

Stage 3 – If the receivables credit risk increases to the point where it is considered credit-impaired, lifetime ECLs are recognised, as in Stage 2.

The impairment methodology applied for the Group is stage 1, which requires 12-month expected credit losses to be recognised until a change in credit risk occurs, in which case stage 2 would apply.

2.11. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost on a first-in/first-out basis;
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale

2.12. Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held on call, together with other short term highly liquid investments which are not subject to significant changes in value and have original maturities of less than three months.

2.13. Fair Value measurement

Where financial and non-financial assets and liabilities are measured at fair value, the Group use appropriate valuation techniques for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair value is categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follow:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (eg; as prices) or indirectly (eg; derived from prices);
- Level 3: input for the assets or liability that are based on observable market data (unobservable input).

The Group recognise transfer between level of fair value hierarchy at the end of the reporting period during which the changes have occurred.

The carrying amount of cash and cash equivalents, receivables, trade payable, accruals and other current liabilities in the Group consolidated statement of financial position approximates their fair value because of short maturities of these instruments.

2.14. Warranty provision

A warranty provision is recognised where there is a probable obligation to rectify problems with goods sold. The calculation of the warranty provision is based on historical warranty claim data. Provisions for cash outflows in excess of one year are determined by discounting expected future cashflows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognised as a finance cost. Warranty provisions are a management estimate, please see note 2.18.1. for information about how the provision was calculated in the year.

2.15. **Revenue recognition**

Revenue is generated from the manufacture and supply of lightweight solar panels. The Group recognises revenue when (or as) a performance obligation in the customer contract is satisfied. Performance obligations relevant to the customer contract are to manufacture goods in accordance with the specification in the customer order form and any other regulatory or statutory requirements. The performance obligations are satisfied at the point in time when the goods are deemed to be delivered. Under the customer contract, goods are determined to be delivered Ex Works (at the factory address) under International Chamber of Commerce Incoterms. This means that once the customer is provided a shipping document which indicates that the goods are ready and available for collection from the factory, obligations of the contract have been performed and risk transfers to the customer. Revenue is measured as the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and sales-related taxes.

Customers are billed in advance of the delivery of goods, with 30 days terms. Upon receipt of an advanced payment a contract liability is recognized. The contract liability is released at the point in time goods are delivered. Under the Group’s standard terms and conditions there is a product warranty for ongoing acceptable function of the goods for a period of 10 years, effective from the point of installation, or 3 months after delivery, whichever is earlier. This warranty is not sold as a separate component. This length of warranty is standard in the industry. This is not a separate service and is deemed an “assurance” type warranty under IFRS 15 guidance; and is therefore accounted for separately under IAS 37 instead. See note 2.14 for information about how a warranty provision is recognized and measured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.16. Research and Development costs

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Amortisation on development costs commences once the asset under development is available for use or sale. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

2.17. Grant income

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Grants are recognised in the statement of comprehensive income as other income.

2.18. Summary of critical accounting estimates and judgements

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the accounting policies which are detailed above. These judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key estimates and underlying assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

2.18.1. Estimates

Share-based payments

Share options are recognised as an expense based on their fair value at date of grant. The fair value of the options is estimated through the use of a valuation model – which require inputs such as the risk-free interest rate, expected dividends, expected volatility and the expected option life - and is expensed over the vesting period. Some of the inputs used to calculate the fair value are not market observable and are based on estimates derived from available data, such as employee exercise behaviour and employee turnover (note 24).

Warranty provision

The provision for warranty claims has been estimated for the year 2023 based on historical data for warranty replacements since production began in 2020. The majority of the liability is expected to be settled in the next year, based on the same data.

Stock valuation

The cost calculation for finished stock panels includes some absorbed costs for factory staff and utilities. The calculation of staff cost per panel is a fixed amount based on what the cost absorption rate is when the factory is running at full capacity. Stock provisions are recognised where there is evidence that the cost initially recognised is no longer recoverable; for finished panels this is either where there the panel is classed as less than grade A standard following testing, or where there is a sale of a similar age or specification product which is lower than the cost value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.18.2. Judgements

Other receivables
Other receivables comprise estimated earn out payments receivable from the sale of the investment in ICSI - note 12. The estimated earn out payments are structured over several product development milestones to be achieved through to 2025. The estimated earn out payments to be received as at year end are based on this information and includes management assessment around the achievability of each individual milestone. At the year end it has been judged that any further earn out payments are unlikely, and therefore the value of the receivable has been written down to nil.

Revenue recognition
Revenue is recognised at the point that the performance obligations are satisfied. This is judged to be the point when the goods are delivered under the customer contract. The customer contract specifies that all goods are delivered "Ex Works" under International Chamber of Commerce Incoterms, meaning that they are delivered when available for collection from the factory.

Share-based payments
Management performs an assessment to determine whether non-market performance conditions of non-vested share options are likely to be met. As a result, the calculation of the share-based payment charge is adjusted where it is deemed that the number of options likely to vest has changed.

Convertible loan note
Management has assessed that the convertible loan note instrument, issued during the year, is classified wholly as a financial liability, although it includes a conversion feature that qualifies as an embedded derivative. Management has determined the value of the embedded derivative to be immaterial, and therefore it has not been separated from the host contract liability. The reason for this assessment is that the probability of the conversion feature being exercised was judged to be very low. The conversion element of the instrument had been designed as a protection feature for the debt holders, rather than as a mechanism to gain short-term gains through equity conversion. The debt holders were long-term investors in the company, one of which was a director. The loan notes were also secured against the assets of the Group. The debt holders were unlikely to exercise in the short term as the share price was expected to reduce due to liquidity issues. Together this gave a strong indication that the debt holders were unlikely to convert their holdings before the term, and therefore the value of the derivative was assessed to be low.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Financial Risk Management

The Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

3.1. Principal financial instruments and their categories

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

Categories of financial assets	**31 December 2023**	**31 December 2022**
	£	**£**
Other receivables (ICSI)	-	556,783
Cash and cash equivalents	53,918	842,632
Trade receivables – net of provision	29,999	50,911
Total current financial assets at amortised cost	**83,917**	**1,450,326**

Categories of financial liabilities	**31 December 2023**	**31 December 2022**
	£	**£**
Trade payables	173,040	62,976
Wages payable	19,072	29,586
Pension payable	-	175
Accruals	72,049	139,851
Trade and other payables	264,161	232,588
Current loans and borrowings	-	310,306
Non-current loans and borrowings	522,587	-
Loans and borrowings	522,587	310,306
Current lease liabilities	214,467	29,682
Non-current lease liabilities	93,756	-
Lease liabilities	308,223	29,682
Total financial liabilities at amortised cost	**1,094,971**	**572,576**

3.2. General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports from the CFO through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

3.2.1. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise this risk, the Group endeavours only to deal with companies which are demonstrably creditworthy.

The aggregate financial exposure is continuously monitored. The maximum exposure to credit risk is the value of the outstanding amount of bank balances. The Group's exposure to credit risk on cash and cash equivalents is considered low as the bank accounts are with banks with high credit ratings. The analysis of trade receivables and expected credit loss allocation is detailed in (note 17).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3.2.2. Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days.

The Group currently holds cash balances to provide funding for normal trading activity and is managed centrally. Trade and other payables are monitored as part of normal management routine. The Board receives rolling cash flow projections on a monthly basis as well as information regarding cash balances.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows, including contractual interest) of financial liabilities:

31 December 2023	**Up to 3 Months**	**Between 3 and 12 months**	**Between 1 and 2 years**	**Between 2 and 5 years**
Trade payables	173,040	-	-	-
Wages payable	19,072	-	-	-
Pension payable	-	-	-	-
Accruals	72,049	-	-	-
Lease liability	57,209	171,626	95,348	-
Non-current loan – interest bearing	-	-	522,587	-
Undiscounted financial liabilities at amortised cost	**321,370**	**171,626**	**617,935**	-

31 December 2022	**Up to 3 Months**	**Between 3 and 12 months**	**Between 1 and 2 years**	**Between 2 and 5 years**
Trade payables	62,976	-	-	-
Wages payable	29,586	-	-	-
Pension payable	175	-	-	-
Accruals	139,851	-	-	-
Lease liability	19,369	11,037	-	-
Current loan – interest bearing	310,306	-	-	-
Undiscounted financial liabilities at amortised cost	**562,263**	**11,037**	**-**	**-**

3.2.3. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk is limited, as its loans and borrowings are a fixed rate loan. There are no overdraft facilities. At the reporting date there were corporate bonds with principal of £500,000 which had a fixed interest rate of 7% (2022: corporate bonds with principal of £310,306 which had a fixed interest rate of 7%).

3.2.4. Foreign exchange risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

In the current year the Group is predominantly exposed to currency risk on purchases made in EUR and USD.

The following table details the Group's exposure at the end of the year to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. Differences resulting from the translation of the financial statements of the entity within the Group into the Group's presentation currency are excluded:

As of 31 December 2023 the Group's exposure to changes in foreign exchange rate was as follows:

Forex sensitivity calculation	Effect on net assets				Effect on loss before tax			
	USD	GBP	EUR	CAD	USD	GBP	EUR	CAD
	£	£	£	£	£	£	£	£
1%	7	2	(41)	-	(7)	(2)	41	-
-1%	(7)	(2)	41	-	7	2	(41)	-

As of 31 December 2022, the Group's exposure to changes in foreign exchange rate was as follows:

Forex sensitivity calculation	Effect on net assets				Effect on loss before tax			
	USD	GBP	EUR	CAD	USD	GBP	EUR	CAD
	£	£	£	£	£	£	£	£
1%	79	(1)	(53)	-	(79)	1	53	-
-1%	(79)	1	53	-	79	(1)	(53)	-

4. Revenue and segmental information

Revenues	Year ended 31 December 2023	Year ended 31 December 2022
	£	£
Sale of Goods	606,260	417,457
Total	**606,260**	**417,457**

The Group had revenues from customers in the following countries that were determined to be material:

Revenues	Year ended 31 December 2023	Year ended 31 December 2022
	£	£
Belgium	175,856	20,661
Sweden	104,068	3,479
Czechia	79,271	610
Denmark	72,994	7,533
Germany	36,734	64,294
UK	16,876	109,467
Thailand	-	101,263
Rest of the world	120,462	110,149
	606,260	417,457

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Group had 3 customers that exceeded 10% of revenue in 2023 (2022: 2 customers). All sales related to the development and commercialisation of clean technologies operating segment:

Revenues	**Year ended 31 December 2023**	**Year ended 31 December 2022**
	£	**£**
Customer 1	175,856	10,957
Customer 2	104,068	3,479
Customer 3	78,271	610
Customer 4	-	78,107
Customer 5	-	41,018
	359,194	134,171

Segment information

The chief operating decision maker has been identified as the management team including the executive and non-executive directors. The chief operating decision-maker allocates resources and assesses performance of the business and other activities at the operating segment level.

The chief operating decision maker has determined that EARNZ had one operating segment, the development and commercialisation of clean technologies.

Geographical Segments

Apart from holding company activities in the UK the Group had operations in Italy in the period. An analysis of revenue, operating loss and non-current assets by geographical market is given below:

	Year ended 31 December 2023	**Year ended 31 December 2022 Restated***
	£	**£**
Revenue		
UK	-	18,661
Italy	606,260	398,796
Total revenue	**606,260**	**417,457**
Operating loss		
UK	(729,155)	(1,042,666)
Italy	(745,185)	(821,215)
Total operating loss	**(1,474,340)**	**(1,863,881)**
Non-current assets		
UK	10,741	571,010
Italy	392,857	230,145
Total non-current assets	**403,598**	**801,155**

*See Note 27 for details of the restatement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Other (expense)/income	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Fair value decrease through P&L – ICSI	(556,783)	(125,486)
Grant income	-	217,419
Total other (expense)/income	**(556,783)**	**91,933**

Refer to Investments and Other Receivables Notes 11-12 for further information on the ICSI revaluation.

6. Operating loss

	Year ended 31 December 2023 £	Year ended 31 December 2022 Restated* £
Operating loss is stated after charging:		
Auditors' remuneration:		
Audit fees – audit of the company and its subsidiaries pursuant to legislation	73,090	48,584
Non-audit fees – other assurance services	-	800
Direct costs – inventory cost of goods expense	582,830	253,102
Direct costs – inventory write (back)/down	(47,051)	167,417
Direct costs – other	328,293	246,213
Warranty provision	30,313	-
Depreciation of Property Plant and Equipment	50,207	134,692
Depreciation of Right of Use asset	173,133	60,863
Remeasurement of Right of Use asset	-	(25,537)
Provision against other receivables	70,444	(51,144)
Short term leases	4,824	5,688
Disposal of assets	50,167	-
Directors' fee and staff costs (note 7)	(35,188)	407,901
Bad debt	16,506	70,202
Research costs	-	142,555

*See Note 27 for details of the restatement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Employees and directors

The average number of employees (including directors) during the period was made up as follows:

	Year ended 31 December 2023 Number	Year ended 31 December 2022 Number
Directors	4	4
Production	6	6
Administrative	1	1
Total	11	11

The cost of staff and directors during the period was made up as follows:

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Salaries	193,496	299,108
Directors' fees	111,250	257,037
Share-based payments	(154,010)	119,672
Social security costs	11,685	41,079
Pension costs	32,034	1,932
Total staff cost in the statement of comprehensive income	**194,455**	**718,828**
Consisting of:		
Employee costs included in direct costs	**233,783**	**179,531**
Employee costs included in administrative expenses	**(39,327)**	**539,297**

Key management personnel include both board and non-board members. Key management personnel compensation is as follows:

Key management personnel compensation	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Salaries	23,750	102,500
Fees	183,727	288,323
Share-based payments	(154,010)	119,672
Social security costs	3,446	6,964
	56,913	**517,459**

Please refer to the Directors' Remuneration report on pages 19-21.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Finance costs

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Finance expenses		
Interest on loans (note 20)	31,061	23,056
Amortisation of bond issue costs (note 20)	16,045	34,446
Lease interest	14,472	16,102
Total finance expense	**61,578**	**73,604**

Details of the interest rate on the loans are shown in note 20.

9. Income tax

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
UK Corporation tax		
Tax credit/ (expense)– current year	-	-
Tax credit/ (expense)– prior year	-	21,901
Total current tax	-	21,901
Deferred tax		
Origination and reversal of timing differences	-	-
Total tax credit/(expense)	**-**	**21,901**

Factors affecting the tax expense

The reasons for the difference between the actual tax expense for the year and the standard rate of corporation tax in the United Kingdom applied to the result for the year are as follows:

	Year ended 31 December 2023 £	Year ended 31 December 2022 Restated* £
Loss on ordinary activities before income tax	(2,088,980)	(1,843,468)
Standard rate of corporation tax	19.00%	19.00%
Loss before tax multiplied by the standard rate of corporation tax	(396,906)	(350,259)
Effects of:		
Research and Development tax credit	-	21,901
Losses utilised against chargeable gains	-	-
Non-deductible expenses	58,989	20,183
Difference in overseas tax rates	(5,338)	(6,768)
Capital allowances	(171)	(3,642)
Deferred tax not recognised	343,426	340,486
Withholding tax	-	-
Tax credit	-	21,901

*See Note 27 for details of the restatement of prior year result.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Group has not recognized deferred tax assets arising from the accumulated tax losses due to uncertainty of their future recovery. The deferred tax asset not recognized is £1,864,738 at 31 December 2023 (2022: £1,515,764).

10. Loss per share

	Year ended 31 December 2023	Year ended 31 December 2022 Restated*
Basic and diluted		
Loss for the period and earnings used in basic & diluted EPS (£)	(2,088,979)	(1,821,567)
Weighted average number of shares used in basic and diluted EPS	428,877,728	393,565,703
Loss per share:		
Basic and diluted	(0.5p)	(0.5p)

*See Note 27 for details of the restatement of prior year result.

Basic loss per share is calculated by dividing the loss for the period from continuing operations of the Group by the weighted average number of ordinary shares in issue during the period. There were no potentially dilutive ordinary shares in either period, therefore was no difference between the basic and diluted loss per share.

11. Investments

	Financial assets at fair value through profit or loss	Total
	£	£
Cost		
At 1 January 2022	**990,000**	**990,000**
Disposal	**(990,000)**	**(990,000)**
At 31 December 2022	-	-
Disposal	-	-
At 31 December 2023	-	-

The Company previously held a stake in Industrial Climate Solutions (ICSI), an unlisted company registered in Canada. This was sold during 2022 for a total consideration comprising cash on completion of £307,731 and earn out payments payable over 3 years (see note 12).

12. Other receivables

	2023	2022
	£	£
Fair value of earn-out from ICSI sale	-	556,783
Other receivables	-	556,783

The estimated earn out payments from the ICSI sale are structured over several product development milestones to be achieved through to 2025. The estimated earn out payments to be received as at year end are based on management assessment of the achievability of each individual milestone. At recognition of the receivable this risk weighted compensation was discounted at an estimated cost of equity, being 14.2%.

In 2023 management received information from the ICSI Sellers' Committee that future milestones are unlikely to be met, so a full impairment of the receivable was recognized in the period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Property, plant and equipment

	Plant & Machinery	Computer equipment	Leasehold Improvements	Total
	£	£	£	£
Cost				
At 1 January 2022	**601,933**	**3,972**	**74,923**	**680,828**
Additions	14,312	2,708	2,520	19,540
Disposals	-	(948)	-	(948)
Exchange adjustments	32,155	-	4,015	36,170
At 31 December 2022	**648,400**	**5,732**	**81,458**	**735,590**
Additions	1,140	899	-	2,039
Disposals	(334,886)	(1,705)	(79,842)	(416,433)
Exchange adjustments	(12,577)	10	(1,616)	(14,183)
At 31 December 2023	**302,077**	**4,936**	**-**	**307,013**
Depreciation				
At 1 January 2022	**359,034**	**3,373**	**18,340**	**380,747**
Charge for the year	104,737	358	29,596	134,691
Disposals	-	(449)	-	(449)
Exchange adjustments	23,039	-	2,092	25,131
At 31 December 2022	**486,810**	**3,282**	**50,028**	**540,120**
Charge for the year	46,454	1,028	2,725	50,207
Disposals	(291,343)	(1,704)	(76,069)	(369,116)
Exchange adjustments	(35,038)	11	23,316	(11,711)
At 31 December 2023	**206,883**	**2,617**	**-**	**209,500**
Net book value				
At 31 December 2022	161,590	2,450	31,430	195,470
At 31 December 2023	**95,194**	**2,319**	**-**	**97,513**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Subsidiary undertakings

As at 31 December 2023 the subsidiaries of the Company, all of which have been included in these consolidated financial statements, are as follows:

Name	Country of incorporation	Parent	Direct or indirect holding	Proportion of ownership interest at 31 December 2023	Nature of business
Verditek Solar S.r.l	Italy	Verditek plc	Direct	100%	Solar technology services
Verditek USA, Limited	USA	Verditek plc	Direct	100%	Dormant
Verditek Solar Solutions Limited	UK	Verditek plc	Direct	100%	Dormant

Name	Registered address
Verditek Solar S.r.l	Via dei Martinitt, 3, 20146, Milan, Italy
Verditek USA, Limited	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801
Verditek Solar Solutions Limited	First Floor, Holborn Gate, 330 Holborn, London, WC1V 7QT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. Right of use asset

	Building
	£
Cost	
At 1 January 2022	**323,617**
Additions	-
Remeasurement of asset	(262,655)
Foreign Exchange	7,500
At 31 December 2022	**68,462**
Additions	432,120
Disposal of asset	(67,104)
Exchange	(1,358)
At 31 December 2023	**432,120**
Depreciation	
At 1 January 2022	**181,226**
Charge for the year	60,863
Unwind of discount of lease deposit (trade and other receivables)	7,306
Remeasurement of asset	(233,356)
Foreign Exchange	3,521
At 31 December 2022	**19,560**
Charge for the year	173,133
Unwind of discount of lease deposit* (trade and other receivables)	1,414
Disposal of asset	(67,328)
Exchange	(744)
At 31 December 2023	**126,035**
Net book value	
At 31 December 2022	48,902
At 31 December 2023	**306,085**

The right-of-use asset as at 31 December 2023 is the present value of a lease asset on a factory in Tolmezzo, Italy signed in May 2023 for 2 years. The rental amount is fixed for the term of the lease.

*Included within the lease asset is a deposit of £38,139 payable at inception of the lease. This has been discounted to reflect the time value of money, and that this will be repaid at the term of the lease. The discount rate applied is 7%, being the rate of borrowing of the Company during the year. The unwind of this discount reduces the right of use asset, and increases the deposit (held in Trade and other receivables, Note 17).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Inventories

	2023	2022
	£	£
Finished goods (cost)	75,849	345,032
Finished goods (fair value less costs to sell)	207,962	-
Raw materials	135,209	189,927
Total Inventories	**419,020**	**534,959**

During the period £582,830 inventories relating to revenue were recognized as a cost in the P&L (2022: £253,102). There was also a release of a provision against inventories to write-back defective and slow-moving stock, £47,051 (2022: £167,417), upon sale of old stock panels.

17. Trade and other receivables

	2023	2022
		Restated*
	£	£
Trade receivables – gross	73,569	123,744
Less: provision for expected credit losses	(43,570)	(72,833)
Trade receivables - net	29,999	50,911
Advance to suppliers and deposits	67,094	19,503
Amounts due from related parties	-	100
VAT and other taxes receivable	39,449	65,543
Prepayments	33,916	12,536
Total trade and other receivables	**170,458**	**148,593**

*See Note 27 for details of the restatement of prior year other receivables.

The ageing of trade receivables and ECL allocation is as follows:

31 December 2023	**Gross**	**ECL**	**Net**
	£	£	£
Not past due and not impaired	-	-	-
Up to 30 days past due	14,676	-	14,676
31 to 60 days past due	13,176	-	13,176
61 to 90 days past due	176	-	176
Over 90 days past due	45,541	(43,570)	1,971
Total	**73,569**	**(43,570)**	**29,999**

31 December 2022	**Gross**	**ECL**	**Net**
	£	£	£
Not past due and not impaired	829	-	829
Up to 30 days past due	-	-	-
31 to 60 days past due	3,155	-	3,155
61 to 90 days past due	9,829	-	9,829
Over 90 days past due	109,931	(72,833)	37,098
Total	**123,744**	**(72,833)**	**50,911**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The movement in ECL in the year was as follows:

	ECL £
Cost	
At 1 January 2023	72,833
Utilised provision	(45,534)
Additional provision	16,506
Foreign exchange	(55)
At 31 December 2023	43,750

18. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	**53,918**	**842,632**

The fair value of the cash & cash equivalents is as disclosed above. For the purpose of the cash flow statement, cash and cash equivalents comprise of the amounts shown above.

19. Trade and other payables

	2023 £	2022 £
Trade payables	173,040	62,976
Accruals	72,049	139,851
Deferred revenue	9,922	43,955
Wages payable	19,072	29,586
Pension payable	-	175
Other payable	166	173
Financial liabilities at amortised costs other than loans and	274,249	276,716
Social security & other taxes payables	9,493	13,279
Total trade and other payables	**283,742**	**289,995**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. Loans and borrowings

	2023	2022
	£	£
Current		
Corporate bonds issued to related party	-	25,000
Corporate bonds (net of bond issue costs)	-	285,306
Non – current		
Convertible loans	522,587	-
Total current and non – current loans and borrowings	**522,587**	**310,306**

On 9 May 2023, the Group raised £500,000 in secured convertible loan notes and shortly thereafter repaid the convertible bonds. The convertible loan notes carry a coupon of 7% per annum which is payable on the redemption date or earlier if converted. The convertible loan notes are redeemable 2 years from the date of issue and are convertible at the option of the noteholder into ordinary shares at the lower of 1.0625 pence per share, or the subscription price per ordinary share of any fundraising over £250,000 in the 6 months from the issue of the loan notes. As a result of the equity raise on 1 September 2023, the conversion price for the secured convertible loan notes has been adjusted to 0.45 pence per share. At inception an embedded derivative was identified, although this has not been separated from the loan liability as it has been determined to be immaterial. The convertible loans were redeemed post year end as part of the disposal of Verditek Solar Italy srl.

Alongside the corporate bonds in prior year, warrants were also issued to Crowd For Angels, including
- 2,250,000 warrants on 28 May 2021, with a term 36 months and exercise price 3.1p
- 1,032,530 warrants on 30 July 2021, with a term 36 months and exercise price 2.75p

The 1,032,530 warrants were exercised in 2021 and the proceeds repaid part of the Corporate bond.

The warrants were fair valued using the Black Scholes model, see note 24 for details, and recognised as a cost of issue. During the year there was an issue cost amortisation charge of £16,045 (2022: £33,226) recorded within finance costs.

Reconciliation of liabilities to cashflows arising from financing activities

	01-Jan-23	Cash inflow	Cash outflow	Non-cash New lease liability	Non-cash Interest and discount unwind	31-Dec-23
	£	£	£	£	£	£
Corporate bonds	285,306	-	(299,858)	-	14,552	-
Corporate bonds - related party	25,000	-	(25,000)	-	-	-
Lease liability	29,682	-	(163,217)	427,286	14,472	308,223
Convertible loan notes	-	500,000	-	-	22,587	522,587
	339,988	**500,000**	**(488,075)**	**427,286**	**51,611**	**830,810**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Provisions

	2023	2022
	£	£
Warranty provision	30,212	-
Total provisions	**30,212**	**-**

A warranty provision has been recognised in the year based on historical panel warranty claim rates, at 5% of revenue. It is assumed that all of the provision will be utilized within the next year.

22. Lease liability

	2023	2022
	£	£
Current Lease liability	214,467	29,682
Non-Current Lease liability	93,756	-
Total Current loans and borrowings	**308,223**	**29,682**

Maturity analysis of Group's discounted lease liability:

	Future minimum lease payments	Interest	Discounted lease liability
	£	£	£
Less than one year	228,835	(14,368)	214,467
Between one and five years	95,348	(1,592)	93,756
	324,183	**(15,960)**	**308,223**

The cash outflow on lease liability payments in the year was £163,217(2022: £70,936). The interest expense on lease liabilities recognised in the year was £14,472 (2022: £16,102).

23. Share capital and reserves

	Number of Shares Par Value £0.0004	Share capital	Share premium
		£	£
At 1 January 2022	**342,204,973**	**136,883**	**10,761,055**
Exercise of shares for cash			
Shares issued June 2022 at 1.5p per share	101,333,333	40,534	1,479,466
Share issue costs			(34,795)
At 31 December 2022	**443,538,306**	**177,417**	**12,205,726**
Exercise of shares for cash			
Shares issued September 2023 at 0.45p per share	111,111,111	44,443	455,557
Share issue costs			(35,000)
At 31 December 2023	**554,649,417**	**221,860**	**12,626,283**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

24. Share-based payment reserve

The Company operates an equity-settled share-based remuneration schemes for Senior Executives, under the terms of the Company's EMI and Non-Qualifying Share Option Plan (the "Option Plan"). The options are valid for 10 years from the date of grant. After satisfaction of any performance condition included in the award the options will become exercisable in equal tranches on each anniversary of the Grant Date during the first three years.

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted including any market performance conditions (for example the Company's share price) but excluding the impact of any service or non-market performance vesting conditions (for example the requirement of the grantee to remain an employee of the Group).

Non-market vesting conditions are included in the assumptions regarding the number of options that are expected to vest. The total expense is recognised over the vesting period. At the end of each period the Group revises its estimates of the number of options expected to vest based on the non-market vesting conditions. It recognises the impact of any revision in the income statement with a corresponding adjustment to equity.

The Company uses a Black Scholes model to estimate the cost of share options. The following information is relevant in the determination of the fair value of options granted. The assumptions inherent in the use of this model are as follows:

- The option life is the estimated average period over which the options will be exercised.
- For options issued to Rob Richards and David Willetts in 2021, there is a vesting condition linked to performance of the company.
- For other options issued in 2021 and earlier, the vesting conditions are 3 years' continued service with the Group.
- No variables change during the life of the option (e.g. dividend yield remains zero).

During 2021 there were also warrants issued to Crowd For Angels, please see note 20 for details.

The key assumptions used in the fair value calculation for issues is as follows

Issue date	28/05/2021	30/07/2021	17/09/2021	06/04/2020
Stock price at grant date	3.1p	2.75p	3.8p	2.0p
Volatility	107%	99%	100%	73%
Time to maturity (months)	36	36	36	60
Risk free rate	0.08125%	0.07400%	0.07088%	0.6528%

The movement in outstanding share options and warrants are as follows:

	Number of share options	Number of warrants	Weighted average strike price (pence)	Weighted average term (years)
Opening at 1 January 2023	**20,000,000**	**2,250,000**	**3.9**	**8.2**
Forfeit	(16,300,000)	-	(3.7)	(7.4)
Exercised	-	-	-	-
At 31 December 2023	**3,700,000**	**2,250,000**	**0.2**	**0.8**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1,500,000 options were granted under the scheme in April 2018 to Chair, Lord David Willetts, with an exercise price of 9.0p. During 2020 there were 4,000,000 options issued to CEO, Rob Richards at an exercise price of 3.0p. During 2021 there were 3,000,000 options issued to Lord David Willetts and 10,000,000 options were issued to Rob Richards at an exercise price of 3.8p.

At the period end, following an assessment that it was unlikely that performance conditions would be met for a portion of the 2020 options and 2021 options issued to Lord Willetts and Rob Richards, a reversal of previously recognized share-based payment expense was required, as a credit to the income statement. At the period end, Rob Richards held 1,200,000 share options with an exercise price of 3.0p, and David Willetts held 1,500,000 share options with an exercise price of 9.0p.

The share-based payment credit recognized in the income statement during the period was £154,010 (2022: cost of £119,672).

25. Reserves

The following describes the nature and purpose of each reserve within equity:

Issued share capital – Amount subscribed for share capital at nominal value. The company has one class of shares being Ordinary Shares. Holders of these shares are entitled to one vote per share at general meetings of the Company, and are entitled to dividends as declared from time to time.

Share premium - Amount subscribed for share capital in excess of nominal value. This includes share issue costs, which are deducted from share premium.

Share-based payment reserve - The share-based payment reserve represents equity settled share-based employee remuneration until such share options are exercised.

Foreign exchange reserves - Foreign exchange translation gains and losses on the translation of the financial statements of subsidiary from the functional to the presentation currency, and also foreign exchange on intra-group funding balances.

Accumulated losses - All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

Non-controlling interests – Represents accumulated profits or losses from subsidiaries where there is less than a 100% holding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. Related Party Transactions

The Group has related party transactions with related parties who are not members of the Group.

	Transactions during the year		Amounts owed by related parties		Amounts owed to related parties/loans	
	2023	2022	2023	2022	2023	2022
	£	£	£	£	£	£
The Rt Hon. Lord David Willetts FRS[1]	25,000	50,000	-	-	-	29,167
George Katzaros[2]	12,500	25,000	-	-	-	14,583
Gavin Mayhew[3]	-	31,774	-	-	-	60,327
Rob Richards[4]	150,000	152,037	24,934	-	-	-
Fly SolarTech Solutions SRL sales[5]	41,978	32,940	2,115	43,276	-	-
Fly SolarTech Solutions SRL purchases[5]	246,574	41,867	-	-	29,220	25,410

Notes:

[1] The Rt Hon. Lord David Willetts FRS	Lord David Willetts, Chair of the Company, was entitled to fees and services of £50,000 during the period but he waived his fees from July 2023 onwards.
[2]George Katzaros	Mr. George Katzaros, a non-executive director of the Company, was entitled to Directors fees of £25,000 during the year, but he waived his fees from July 2023 onwards. At the year-end George Katzaros was owed a Directors fee of £nil. In February 2024 he waived any right to fees.
[3]Gavin Mayhew	Gavin Mayhew, a former director of the Company, was owed £165,000 corporate bonds with an expiry date of 28/04/2025 accruing 7% interest, at the year end this amounted to £172,468.
[4]Rob Richards (appointed 1 June 2020)	Robert James Richards, director during the year was entitled to Directors fees of £150,000. At year end, he was owed £24,934 of which £22,038 was fees and £2,896 related to expenses.
[5] Fly SolarTech Solutions SRL	Fly SolarTech Solutions SRL is a company of which a director of Verditek Solar SRL is also a director and shareholder. Transactions are conducted on an arms length basis and subject to authorisation by Rob Richards, CEO of Verditek plc. During the year Verditek entered into a service agreement with FlySolarTech Solutions resulting in rental payment and receipt of rental income. At year end, in other debtors a deposit is recognised of £34,831 (€40,050).

Details of the directors' emoluments, together with the other related information, are set out in the Directors' Remuneration Report. The Company's executive and non-executive directors are considered to be key management personnel for the purposes of this disclosure.

27. Prior period restatement

During 2023, the Group determined that the Non-Controlling Interest Reserve recognized at prior balance sheet dates in connection with BBR Filtration should have been released to Accumulated losses at 31/12/2021.

On admission to AIM in 2017, the Company acquired 51% of BBR Filtration Limited (which in turn had a 50.49% holding in BBR Filtration USA LLC), a bio-filtration company developing a system to remove odours (e.g. hydrogen sulphide) from wastewater. BBR Filtration Limited remained a 51% owned subsidiary of the Company but ceased trading during 2019. BBR Filtration Limited was dissolved in June 2021. Therefore the residual Non-Controlling Interest Reserve, £106,887, should have been released to Accumulated losses during the year 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

During 2023 it was determined that a provision against VAT recognized in prior years should have been partially reversed in the prior year, as there was information available at the time which suggested that it could be recoverable. A prior year adjustment has been made as a result of there being an error identified in the estimate made as at 31 December 2022.

The errors described have been corrected by restating each of the affected line items for prior periods. The impact on shareholders' equity and assets is summarized as follows:

Consolidated statement of financial position	**Impact of correction error**		
	As previously reported	**Adjustment**	**As restated**
1 January 2022	**£**	**£**	**£**
SHAREHOLDERS' EQUITY			
Accumulated losses	(9,098,300)	(106,887)	(9,205,187)
Non-controlling interests	(106,887)	106,887	-
31 December 2022			
ASSETS			
Trade and other receivables	95,533	53,060	148,593
SHAREHOLDERS' EQUITY			
Accumulated losses	(10,971,011)	(55,743)	(11,026,754)
Foreign exchange reserve	6,245	1,916	8,161
Non-controlling interests	(106,887)	106,887	-

Consolidated statement of comprehensive income	**Impact of correction error**		
	As previously reported	**Adjustment**	**As restated**
For the year ended 31 December 2022	**£**	**£**	**£**
Administrative expenses	(1,661,935)	51,144	(1,610,791)
Loss for the period	(1,894,612)	51,144	(1,843,468)
Translation of foreign operations	41,417	1,916	43,333
Comprehensive income	(1,831,294)	53,060	(1,778,234)

28. Events after the reporting date

On 27 February 2024 the Company entered into a loan agreement with Bob Holt, prior to his appointment as a director of the Company, for up to £300,000, of which £250,000 was drawn down on 28 February 2024 prior to the disposal of the Solar Business described below to settle outstanding liabilities of the Group. The remaining £50k has subsequently been drawn down. The loan was unsecured and interest free, convertible in part or in whole at any equity fundraising undertaken by the Company after the date of the drawdown. The loan was converted into 4,000,000 ordinary shares on 8 April 2024.

On 28 February 2024, at a general meeting of the Company, the disposal of Verditek Italy srl and all related business assets of the Company (collectively, "Solar Business") to newly incorporated private company, Verditek Solar

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Limited, was approved, in return for satisfaction of the outstanding secured convertible loan notes (see Note 20) and accrued interest, £528,340. Verditek Solar Limited is a company owned by the convertible loan note holders. The disposal of the Solar Business included:

- All issued share capital in Verditek Solar Italy srl
- All intellectual property rights associated with the Group's solar operations
- The Company's interest in an agreement with Net Zero Valley to develop a solar panel manufacturing plant in Southern Italy
- The Company's interest in the joint development project with Paragraf Limited
- Any monies receivable from the earn-out agreement from the sale of ICSI

The disposal of the Solar Business completed on 29 February 2024. The Company has been regarded since 1 March 2024 as an AIM Rule 15 cash shell, having ceased to own, control or conduct all, or substantially all, of its existing trading business, activities or assets.

Following the disposal of the Solar Business, the existing Board of Directors of the Company resigned with immediate effect. The Chair, Lord Willetts, and Non-Executive Director, George Katzaros, waived any fees that they would have been contractually entitled to up until 29 February 2024. Rob Richards, the former Chief Executive of the Company, agreed to vary the terms of his service contract to receive a settlement amount of £50,000 (less payments on account made in February) in respect of fees owed under his existing contract.

A new Board of Directors was shortly thereafter appointed, being Bob Holt, John Charlton and Elizabeth Lake. The Company was renamed EARNZ plc effective from 6th March 2024. The new board intends to seek suitable acquisition targets within the energy services sector, which will constitute a reverse takeover under AIM Rule 14.

On 5 March 2024 400,000,000 shares were issued in the Company, at 0.075 pence per share, giving total proceeds of £300,000.

On 4 April 2024 there was a general meeting to approve a share consolidation, so that every 100 shares in the Company would be consolidated to 1 share. This increased the nominal value of each share from £0.0004 to £0.04, and reduced the number of shares from 954,649,497 to 9,546,495 shares.

On 8 April 2024 the Company raised a further £3.7 million (before expenses) from the issue of 39,954,644 shares at 7.5 pence per share. The loan from Bob Holt was also converted to shares at this time, at the same price.

29. Ultimate controlling party

There is no ultimate controlling party of the Company.

COMPANY STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2023 £	31 December 2022 £
Non-current assets			
Investments in subsidiaries	3	8,916	8,916
Other receivables	5	-	556,783
Property, plant and equipment	6	10,741	14,227
Total non-current assets		**19,657**	**579,926**
Current assets			
Trade and other receivables	7	27,373	22,709
Net amounts due from subsidiaries	3	489,572	
Cash and cash equivalents	8	46,654	801,642
Total current assets		**563,599**	**824,351**
Total assets		**583,256**	**1,404,277**
Non-current liabilities			
Loans and borrowings	10	**522,587**	**-**
Total Non-current liabilities		**522,587**	**-**
Current liabilities			
Trade and other payables	9	142,363	143,039
Loans and borrowings	10	-	310,306
Total current liabilities		**142,363**	**453,345**
Net assets		**(81,694)**	**950,932**
Share capital	11	221,860	177,417
Share premium		12,626,283	12,205,726
Share-based payment reserve	12	178,797	332,806
Retained losses		(13,108,634)	(11,765,017)
Total equity		**(81,694)**	**950,932**

The Company's loss for the year was £1,343,617 (2022: loss of £5,580,995).

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income.

These financial statements were approved and authorised for issue by the Board of Directors on 31 May 2024 and were signed on its behalf by:

John Charlton
Executive Director
Company Registration Number: 10114644
The accompanying notes are an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Share-based payment reserve	Retained losses	Total
	£	£		£	£
Equity as at 1 January 2022	**136,883**	**10,761,055**	**213,134**	**(6,184,022)**	**4,927,050**
Profit/(loss) for the year	-	-	-	(5,580,995)	(5,580,995)
Total comprehensive loss	**-**	**-**	**-**	**(5,580,995)**	**(5,580,995)**
Share issue (net of expenses)	40,534	1,444,671	-	-	**1,485,205**
Share-based payments	-	-	119,672	-	**119,672**
Equity as at 31 December 2022	**177,417**	**12,205,726**	**332,806**	**(11,765,017)**	**950,932**
Profit/(loss) for the year	-	-	-	(1,343,617)	(1,343,617)
Total comprehensive loss	**-**	**-**	**-**	**(1,343,617)**	**(1,343,617)**
Share issue (net of expenses)	44,443	420,557	-	-	**465,000**
Share-based payments	-	-	(154,009)	-	**(154,009)**
Equity as at 31 December 2023	**221,860**	**12,626,283**	**178,797**	**(13,108,634)**	**(81,694)**

The accompanying notes are an integral part of these financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies that are applicable, as set out in note 1 to the consolidated financial statements have been applied together with the following accounting policies that have been consistently applied in the preparation of these EARNZ PLC ("the Company") financial statements.

Basis of preparation

The financial statements of EARNZ PLC have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified and in accordance with the Companies Act 2006.

The Company has taken advantage of Section 408 of the Companies Act 2006 in not presenting its own statement of comprehensive income.

The Company has taken advantage of the following disclosure exemptions under FRS 101, on the basis that equivalent disclosures are, where required, given in the consolidated financial statements of EARNZ PLC:

a. a Cash Flow Statement and related notes as required by IAS 7 – 'Statement of Cashflows';
b. the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(IV) of IAS 1 – a reconciliation of the share capital at beginning and end of the period;
c. the requirements of paragraph 134 – 136 of IAS 1 'Presentation of Financial Statements' to disclose the management of the capital of the Company;
d. the requirements of paragraphs 30 and 31 of IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' to disclose the new or revised standards that have not been adopted and information about their likely impact;
e. all of the disclosure requirements of IFRS 7 'Financial Instruments: Disclosures';
f. the requirements of paragraph 17 of IAS 24, 'Related Party Disclosures' to disclose key management personnel; and
g. the requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiaries which is a party to the transaction is wholly owned by such a member.

Going concern

Following the Disposal, the Company has ceased to own, control, or conduct all or substantially all its previous trading business, activities and assets and, on 1 March 2024, became an AIM Rule 15 cash shell.

As such, the Company is required to make an acquisition or acquisitions which constitute a reverse takeover under AIM Rule 14 ("Reverse Takeover") or be re-admitted to trading on AIM as an investing company (which requires, inter alia, the raising of at least £6.0 million) under the AIM Rules, on or before the date falling six months from 1 March 2024.

If the Company does not complete a Reverse Takeover in accordance with AIM Rule 14, or otherwise if re-admitted to trading on AIM as an investing company fails to implement its investing policy to the satisfaction of the London Stock Exchange within twelve months of becoming an investing company, the London Stock Exchange will suspend trading in the Company's AIM securities pursuant to AIM Rule 40.

Accordingly, the Company will evaluate opportunities in the sectors the directors consider appropriate, seeking to identify one or more projects or assets which the Company can acquire, which would constitute a Reverse Takeover under AIM Rule 14.

Following the Board changes in March and May 2024, the monthly cost of maintaining the Company has reduced.

The directors have a clear strategy to identify Reverse Takeover targets and have a number of opportunities in the pipeline. The cash resources of the Company are sufficient to cover the costs of a Reverse Takeover.

As the successful completion of any Reverse Takeover target cannot be assured at this time, the directors have concluded that a material uncertainty exists as to the Company's ability to continue as a going concern beyond the AIM Rule 15 timetable. This uncertainty arises primarily because should the Company's shares be suspended from trading on AIM or its listing is cancelled, the Company's ability to raise finance for the longer term would be significantly impaired.

Notwithstanding the above, as at the date of approval of the financial statements, the base case cash flow forecast indicated that no additional cash resources will be required over the course of the next 12 months. The directors therefore consider the Group and the Company to be a going concern and have therefore prepared these financial statements on the going concern basis.

Investments in subsidiaries

The Company’s investment in its subsidiaries are carried at cost less provision for any impairment. Investments include shareholder loans. Investments denominated in foreign currency are recorded using the rate of exchange at the date of acquisition. The carrying value is tested for impairment when there is an indication that the value of the investment might be impaired. When carrying out impairment tests, the recoverable amount is based upon future cash flow forecasts and these forecasts would be based upon management judgement. Where the carrying value is more than the recoverable amount, no impairment provision is made.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (Continued)

Trade and other receivables

The Company assesses on a forward-looking basis the expected credit loss associated with its receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, resulting in trade receivables recognised and carried at original invoice amount less an allowance for any uncollectible amounts based on expected credit losses.

Critical accounting estimates and judgments

The preparation of financial information in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires the Directors to exercise their judgement in the process of applying the accounting policies which are detailed above. These judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follow:

Impairment of investments in and amount due from subsidiaries

In determining whether there are indicators of impairment of the Company's investments in, and amounts receivable from, its subsidiary undertakings, the directors take into consideration various factors including the economic viability and expected future financial performance of the business of the subsidiary undertakings. Future cashflows from solar operations requires significant management judgement, as the solar production business is still in its early stages.

Classification of investments in and amount due from subsidiaries

Investments in subsidiaries are classified as non-current assets. Funding provided to subsidiaries is long-term in nature and not intended to be repaid on demand, and therefore it is appropriate to present the assets as non-current.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (Continued)

2. Staff costs

The average number of employees (including directors) during the period was made up as follows:

	2023 Number	2022 Number
Directors	4	4
Administrative	-	-
Total	4	4

The cost of employees (including directors) during the period was made up as follows:

	2023 £	2022 £
Salaries (including directors)	111,250	409,890
Share-based payment	(154,010)	119,672
Social security costs	3,445	9,235
Pension cost	-	500
Total staff costs	**(39,315)**	**539,297**

NOTES TO THE COMPANY FINANCIAL STATEMENTS (Continued)

3. Investments in subsidiary undertakings

	Investment in subsidiary	Amount due from subsidiary	Total
COST	**£**	**£**	**£**
At 1 January 2022	608,916	4,009,539	4,618,455
Additions	-	-	-
Movement for the year	-	504,358	**504,358**
At 31 December 2022	**608,916**	**4,513,897**	**5,122,813**
Additions	-	-	-
Movement for the year	-	489,572	489,572
At 31 December 2023	**608,916**	**5,003,469**	**5,612,385**
IMPAIRMENT			
At 1 January 2022	**600,000**	**-**	**600,000**
Impairment of investment in subsidiary	-	4,513,897	4,513,897
At 31 December 2022	**600,000**	**4,513,897**	**5,113,897**
Impairment of investment in subsidiary		-	-
At 31 December 2023	**600,000**	**4,513,897**	**5,113,897**
Net book value			
At 31 December 2022	8,916	-	8,916
At 31 December 2023	**8,916**	**489,572**	**498,488**

The details of the subsidiaries of the Company, are set out in the Note 11 to the consolidated financial statements.

The directors consider that the carrying amounts owed by and to group undertakings approximates their fair value. The amounts reported under current assets have no fixed repayment terms and repayment on demand.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (Continued)

4. Other investments

	Financial assets at fair value through profit or loss	Total
		£
Cost		
At 1 January 2022	**990,000**	**990,000**
Disposal	**(990,000)**	**(990,000)**
At 31 December 2022	**-**	**-**
Addition		
Disposal		
At 31 December 2023	**-**	**-**

The Company previously held a stake in Industrial Climate Solutions (ICSI), an unlisted company registered in Canada. This was sold during 2022 for a total consideration comprising cash on completion of £307,731 and earn out payments payable over 3 years (see note 5).

5. Other receivables

	2023	2022
	£	£
Fair value of earn-out from ICSI sale	-	556,783
Other receivables	**-**	556,783

The estimated earn out payments from the ICSI sale are structured over several product development milestones to be achieved through to 2025. The estimated earn out payments to be received as at year end are based on management assessment of the achievability of each individual milestone. At recognition of the receivable this risk weighted compensation was discounted at an estimated cost of equity, being 14.2%.

In 2023 management received information from the ICSI Sellers' Committee that future milestones are unlikely to be met, as so a full impairment of the receivable was recognized in the period.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (Continued)

6. Property, plant and equipment

	Plant and machinery	Computer equipment	Total
	£	£	£
At 1 January 2022	**1,873**	**2,277**	**4,150**
Additions	12,422	2,708	15,130
Disposal	-	(949)	(949)
At 31 December 2022	**14,295**	**4,036**	**18,331**
Additions	-	899	899
Disposal	-	-	-
At 31 December 2023	**14,295**	**4,935**	**19,230**
DEPRECIATION			
At 1 January 2022	**1,873**	**1,678**	**3,551**
Charge for the year	643	358	1,001
Disposal	-	(448)	(448)
At 31 December 2022	**2,516**	**1,588**	**4,104**
Charge for the year	3,358	1,027	4,385
Disposal			
At 31 December 2023	**5,874**	**2,615**	**8,489**
Net book value			
At 31 December 2022	11,779	2,448	14,227
At 31 December 2023	**8,421**	**2,320**	**10,741**

7. Trade and other receivables

	31 December 2023	31 December 2022
	£	£
Prepayments	12,193	10,526
Corporation tax receivable	-	-
VAT receivable	15,179	12,183
Total trade and other receivables	**27,372**	**22,709**

All amounts are due within three months.

8. Cash and cash equivalents

	31 December 2023	31 December 2022
	£	£
Cash at bank and in hand	46,654	801,642

9. Trade and other payables

	31 December 2023	31 December 2022
	£	£
Trade payables	93,679	5,146
Accruals and deferred income	46,294	128,387
Social security & other taxes payable	2,390	9,331
Pension cost	-	175
Total trade and other payables	**142,363**	**143,039**

NOTES TO THE COMPANY FINANCIAL STATEMENTS (Continued)

10. Loans and borrowings

	31 December 2023	31 December 2022
	£	£
Current		
Convertible loans	-	310,306
Non-Current		
Corporate bonds	**522,587**	**-**
Total loans and borrowings	**522,587**	**310,306**

See note 20 of the consolidated financial statements for details.

11. Share capital
For details of share capital see note 23 to the consolidated financial statements.

12. Share-based payment reserve
For details of the share-based payments see note 24 to the consolidated financial statements.

13. Related party transactions
The Group has related party transactions with entities in which directors have significant financial interests. For details of the related party transactions see note 26 to the consolidated financial statements.

Details of the directors' emoluments, together with the other related information, are set out in the Report of the Directors. There are no other related party transactions.

14. Commitments
The Company has no lease or capital commitments at the end of the reporting period.

15. Contingent liabilities
The Company has no contingent liabilities, other than what has been disclosed already.

16. Ultimate controlling party
The Company does not have an ultimate controlling party.

17. Events after reporting date
For details of events after reporting date see note 28 of the consolidated financial statements.

OFFICERS AND ADVISERS

Directors:	Robert Holt (appointed 29 February 2024) John Charlton (appointed 29 February 2024) Elizabeth Lake (appointed 13 March 2024) Linda Main (appointed 1 May 2024) The Rt Hon. Lord David Willetts FRS (resigned 29 February 2024) George Francis Katzaros (resigned 29 February 2024) Gavin Mayhew (resigned 2 January 2024) Robert Richards (resigned 29 February 2024)
Company secretary and registered office:	CFPro Cosec Limited First Floor, Holborn Gate, 330 Holborn, London WC1V 7QT
Nominated Adviser and Joint Broker:	Shore Capital 57 St. James's Street London SW1A 1LD
Joint Broker:	W H Ireland Limited 24 Martin Lane, London EC4R 0DR
Bankers:	Natwest Bank plc
Auditors:	Haysmacintyre LLP 10 Queen Street Place London, EC4R 1AG
Solicitors:	BPE Solicitors LLP St. James' House St. James' Square Cheltenham GL50 3PR
Registrars:	Neville Registrars Neville House 18 Laurel Lane Halesowen B63 3DA
Company Number:	10114644
Website:	www.earnzplc.com