Pineapple Power Corporation Plc

Financial Statements

For the year ended
31 December 2021

Registered number 09081452 (England and Wales)

CONTENTS

DIRECTORS AND ADVISORS

Directors ***(both non-executive)***	Claudio Morandi Andrew Holland
Company Secretary	Cargill Management Services Limited
Registered Office	Studio 16 Cloisters House 8 Battersea Park Road London SW8 4BG
Independent Auditor	PKF Littlejohn LLP 15 Westferry Circus London E14 4HD
Bankers	Lloyds Bank Plc 99 - 101 South Road Haywards Heath RH16 4ND
Registrar	Share Registrars Limited 27/28 Eastcastle Street London W1W 8DH
Registered Number	09081452
Website	www.pineapple-powercorp.com

I have pleasure in presenting the financial statements for the year ended 31 December 2021.

Following Pineapple's listing, the Company remains focused on acquiring potential interests in renewable energy projects, and other disruptive technologies.

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

During the year, the Company entered into discussions with BVP Investments Ltd, an Irish fund based in Dublin, Republic of Ireland. These discussions resulted in an outline agreement and the formulation of a non-binding Heads of Terms document to pursue an RTO transaction. However, ultimately the parties could not agree on the terms and the proposal was terminated on February 28, 2022. Since that time and subsequent to the relisting of the Company’s shares on the Standard Market segment of the London Stock Exchange, the Company has received considerable interest from private enterprises seeking to list and access the capital markets through an RTO with the Company.

I look forward to reporting our progress to you over the next period.

Financial

Funding

The Company is funded through investment from its Shareholders following the Company’s successful Standard Listing IPO onto the London Stock Exchange on December 24, 2020, raising £1.32 million before costs.

Revenue

The Company has generated no revenue during the year. However, it is focussing on acquisition targets that will ultimately generate revenue for the Company.

Expenditure

During the year, the Company has continued its fiscal discipline by continuing to maintain low overheads, where possible, although the costs of the implementation of the required due diligence procedures involved in the aborted RTO during the year had a significant impact on the Company’s resources.

Liquidity, cash and cash equivalents

At 31 December 2021, the Company held £560,434 (2020: £27,795) of cash and cash equivalents, all of which are denominated in pounds sterling.

Claudio Morandi

Chairman

29 June 2022

Understanding our business

The Company was incorporated on 11 June 2014, with the view of pursuing an initial public offering of its securities onto the London Stock Exchange through a Standard Listing to raise the necessary funds required for the execution of the business strategy, which is to acquire a business or asset in the clean and renewable energy sectors.

This IPO was completed in December 2020, with the Company successfully raising £1,316,010 before costs with Admission to the Main Market of the London Stock Exchange.

Due to listing rule changes implemented in December 2021 by the Financial Conduct Authority regarding the criteria relevant to the admission of cash shells on to the Standard Market segment of the LSE, the Company is now one of very few cash shells listed on the Main Market able to conduct an RTO transaction with a value of less than £30m. This listing is a distinct advantage on a highly regarded Stock Exchange which many smaller companies seek to enter.

Key performance indicators

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

Principal risks and uncertainties

The principal risks currently faced by the Company relate to:

Acquiring Less than Controlling Interests

The Company may acquire either less than whole voting control of, or less than a controlling equity interest in, a target, which may limit the Company's operational strategies and reduce its ability to enhance Shareholder value.

Inability to Fund Operations Post-Acquisition

The Company may be unable to fund the operations post acquisition of the target business if it does not obtain additional funding, however, the Company will ensure that appropriate funding measures are taken to ensure minimum commitments are met.

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

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

The Directors are not obliged to commit their whole time to the Company's business; they will allocate a portion of their time to other businesses which may lead to the potential for conflicts of interest in their determination as to how much time to assign to the Company's affairs.

Suitable Acquisition Opportunities may not be Identified or Completed

The Company's business strategy is dependent on the ability of the Directors to identify sufficient suitable acquisition opportunities. If the Directors do not identify a suitable acquisition target, the Company may not be able to fulfil its objectives. Furthermore, if the Directors do identify a suitable target, the Company may not acquire it at a suitable price or at all. In addition, if an acquisition is identified and subsequently aborted the Company may be left with substantial transaction costs.

Risks Inherent in an Acquisition

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

Reliance on External Advisors

The Directors expect to rely on external advisors to help identify and assess potential acquisitions and there is a risk that suitable advisors cannot be placed under contract or that such advisors that are contracted fail to perform as required.

Failure to Obtain Additional Financing to Complete an Acquisition or Fund a Target's Operations

There is no guarantee that the Company will be able to obtain any additional financing needed to either complete an acquisition or to implement its plans post acquisition or, if available, to obtain such financing on terms attractive to the Company. In that event, the Company may be compelled to restructure or abandon the acquisition or proceed with the acquisition on less favourable terms, which may reduce the Company's return on the investment. The failure to secure additional financing on acceptable terms could have a material adverse effect on the continued development or growth of the Company and the acquired business.

Reliance on Income from the Acquired Activities

Following an acquisition, the Company may be dependent on the income generated by the acquired business or from the subsequent divestment of the acquired business to meet the Company's expenses. If the acquired business is unable to provide the sufficient funds to the Company, the Company may be unable to pay its expenses or make distributions and dividends on the Ordinary Shares.

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

In certain jurisdictions, there may be legal, regulatory or practical restrictions on the Company using its Ordinary Shares as consideration for an acquisition or which may mean that the Company is required to provide alternative forms of consideration. Such restrictions may limit the Company's acquisition opportunities or make a certain acquisition more costly, which may have an adverse effect on the results of operations of the Company.

Gender analysis

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

	Male	Female
Directors	2	nil

Statement by the directors in performance of their statutory duties in accordance with s172 (1) Companies Act 2006

The main decision made by the directors during the year was to use some or all of the net proceeds raised in the placing achieved on 24 December 2020 to acquire a company, business, project or asset in the renewable, clean energy or other sector.

The Company currently has no employees, other than the directors, and so there are no factors which could affect employee interests.

The Company has not started a business activity and therefore only has professional advisors and a limited number of suppliers, no customers or others who require consideration by the directors and there are no activities that could impact the community or the environment.

The directors acknowledge that the Company will seek to maintain a reputation for high standards of business conduct and that it will treat all members fairly as between themselves and also in its dealings with any individual members.

Corporate social responsibility

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

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

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

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

This report was approved by the board on 29 June 2022 and signed on its behalf

Claudio Morandi

Chairman

29 June 2022

The only employees in the Company are the Directors, who are all considered to be key management personnel.

Claudio Morandi

Claudio is a highly qualified company director, and experienced company restructuring and development specialist. He has enjoyed a long and rewarding career in the financial services industry predominantly based in Switzerland while working with merchant and investment banks and corporations based in North America and throughout Europe.

In 2008, he established Valreco AG, based in Zug, Switzerland, a financial services and investment company specialising in direct investments in public and private corporations, corporate finance, restructuring and mergers and acquisitions. As the founder and Managing Director of Valreco, he has been involved in a number of notable transactions, including the restructuring of one of Europe's largest hedge funds and the reorganisation of distressed investments for a private German corporation in the biodiesel industry. He sold the company in 2017 and resigned from the board of directors in December 2020.

Previously, as an Investment Manager of Mercer International Inc., he was instrumental in the acquisition of a number of German industrial companies. During his tenure with Mercer, the company's net assets grew by acquisitions and restructurings fivefold. Subsequently, as the Senior Vice President of Investment Banking at MFC Bancorp, a successor company to Mercer, he initiated and co-managed several transactions including the acquisition and integration of Bank Rinderknecht AG.

Claudio has graduated as a Certified Banker & Merchant at the KV Business School of Zurich, Switzerland in 1982. After having passed basic military services, he gained his Diplomas in National and Business Economics in Zurich. He is fluent in German, English and French and speaks some Italian. He is a resident of Switzerland.

Andrew Holland

Andrew is a qualified and highly experienced accounting, audit and wealth manager who operates his own company - Ivory Wealth Management - from his offices in Cape Town, South Africa where he resides with his family.

He commenced his career in the financial services industry at Arthur Andersen in the Audit and Business Advisory Department and went from there to Investec where he held the position of Associate Investment Director responsible for developing funds under management and discretionary portfolio management. Subsequently, as an Investment Director, he joined Truestone Capital (Mauritius), a niche investment management and advisory firm which provided financial advice and investment management to high net worth individuals and clients in the UK.

Prior to relocating to South Africa in 2014, he held the position of Senior Private Banker at Kleinwort Benson, now Kleinwort Hambros, a long established and large international private investment bank where he was responsible for development of investment and taxation strategies for clients as well as the on-going management and monitoring of portfolios.

The Directors present their report and the audited financial statements for the year ended 31 December 2021. The Company was incorporated in England on 11 June 2014.

Principal Activity

The principal activity of the Company during the year was that of identifying potential companies, businesses or asset(s) for acquisition.

Results

The Company recorded a loss for the year before taxation of £1,011,353 (2020: £91,367).

Dividends

No dividend has been paid during the year nor do the Directors recommend the payment of a final dividend (2020: £nil).

Directors

The Directors who served at any time during the year were:

- Claudio Morandi Non-Executive Director
- Andrew Holland Non-Executive Director

Details of the Directors' holding of Ordinary Shares are set out in the Directors' Remuneration Report from page 12.

Share Capital

Pineapple Power Corporation Plc is incorporated as a public limited company and is registered in England and Wales with the registered number 09081452. Details of the Company's issued share capital, together with details of the movements during the year, are shown in Note 15. The Company has one class of Ordinary Share and all shares have equal voting rights and rank pari passu for the distributionof dividends and repayment of capital.

Substantial Shareholdings

At 24 May 2022 the Company had been informed of the following substantial interests over 3% of the issued share capital of the Company.

	Holdings		Percentage
Clive de Larrabeiti	5,600,100	*	9.37%
Sebastien Willems	5,400,000		9.09%
Peter Mills	2,602,100	**	4.36%
Andrew Holland	2,000,000		3.35%
Claudio Morandi	2,000,000		3.35%

* Of which 1,600,000 are held by family members

** Of which 302,000 are held by family members

Corporate Governance Statement

The Board is committed to maintaining appropriate standards of corporate governance. The statement below, together with the report on Directors’ remuneration on pages 12 to 13, explains how the Company has observed principles set out in The UK Corporate Governance Code (“the Code”) as relevant to the Company and contains the information required by section 7 of the UK Listing Authority’s Disclosure Rules and Transparency Rules.

The Company has decided not to apply the Code given its current size and resources. The Company is a small company with modest resources. The Company has a clear mandate to optimise the allocation of limited resources to source acquisition(s) and support its future plans. The Company strives to maintain a balance between conservation of limited resources and maintaining robust corporate governance practices. As the Company evolves, the Board is committed to enhancing the Company’s corporate governance policies and practices deemed appropriate to the size and maturity of the organisation.

Board of Directors

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

Audit Committee

The Board seeks to present a balanced and understandable assessment of the Company’s position and prospects in all interim, final and price-sensitive reports and information required to be presented by statute.

The Directors consider the size of the Company and the close involvement of executive Directors in the day-to-day operations makes the maintenance of both an Audit Committee and an internal audit function unnecessary. The Directors will continue to monitor this situation.

External auditor

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

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

Remuneration committee

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

Nominations committee

A nominations committee has not yet been established.

Internal financial control

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

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

Shareholder Communications

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

The AGM is used to communicate with both institutional shareholders and private investors and all shareholders are encouraged to participate. Separate resolutions are proposed on each issue so that they can be given proper consideration and there is a resolution to approve the Annual Report and Accounts. The Company counts all proxy votes and will indicate the level of proxies lodged on each resolution after it has been dealt with by a show of hands.

Directors' Remuneration Report

Remuneration Policies (unaudited)

The remuneration policy of the Company in effect from 3 July 2020 was that each Director shall be entitled to a salary not in excess of £24,000 per annum from the date of Admission until the completion of an acquisition and it is intended that these policies will be continued for the next and subsequent years subject to any acquisition. At the forthcoming AGM shareholders will be asked to vote on the remuneration policy of the Company, as per previous AGM. The date of Admission was 24 December 2020.

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

The current Directors' remuneration comprises a basic fee and at present, there is no bonus or long-term incentive plan in operation for the Directors. Directors also receive reimbursement for expenses incurred whilst performing services for the Company.

Service contracts (unaudited)

The Executive Directors have entered into Service Agreements with the Company and continue to be employed until terminated by the Company.

In the event of termination or loss of office the Director is entitled only to payment of his basic salary in respect of his notice period. In the event of termination or loss of office in the case of a material breach of contract the Director is not entitled to any further payment.

Each Director is paid at a rate of £24,000 per annum.

The contracts are available for inspection at the Company's registered office.

Approval by members (unaudited)

The remuneration policy above will be put before the members for approval at the next Annual General Meeting.

Each Director is paid at a rate of £24,000 per annum.

The contracts are available for inspection at the Company's registered office.

Implementation Report

Particulars of Directors' Remuneration (audited)

Particulars of directors' remuneration, under the Companies Act 2006 are required to be audited, are given in Note 7 and further referenced in the Directors' report.

Remuneration paid to the Directors' during the year ended 31 December 2021 was:

Non-Executive Director	Base salary £	Pension contribution £	Total £
Claudio Morandi	24,000	-	24,000
Andrew Holland	24,000	-	24,000
	48,000	-	48,000

Remuneration paid to the Directors' during the year ended 31 December 2020 was:

Non-Executive Director	Base salary £	Pension contribution £	Total £
Claudio Morandi	2,000	-	2,000
Andrew Holland	2,000	-	2,000
	4,000	-	4,000

There were no performance measures associated with any aspect of Directors' remuneration during the year.

Payments to past Directors (audited)

There are no payments to past Directors.

Bonus and incentive plans (audited)

There were no bonus and incentive plans in place during the year.

Percentage change in the remuneration of the Chief Executive (unaudited)

The Company does not yet have a Chief Executive and as such, no CEO disclosure has been presented.

Other matters

The Company does not have any pension plans for any of the Directors and does not pay contributions in relation to their remuneration. The Company has not paid out any excess retirement benefits to any Directors.

Directors interests in shares (audited)
The Company has no Director shareholder requirements.

The beneficial interest of the Directors in the Ordinary Share Capital of the Company at both 31 December 2021 and 31 December 2020 was:

	Number	%age of issued share capital - 2021	%age of issued share capital - 2020
Claudio Morandi	2,000,000	3.35%	3.49%
Andrew Holland	2,000,000	3.35%	3.49%

Remuneration Committee (unaudited)

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

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

Statement of Directors' Responsibilities in respect of the Annual Report and the financial statements

The Directors are responsible for preparing this report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether they have been prepared in accordance with UK-adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Company financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

The Directors confirm that to the best of their knowledge:

- the Company financial statements, prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- this Annual report includes the fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide information necessary for shareholders to assess the Company's performance, business and strategy.

Disclosure and Transparency Rules

Details of the Company's share capital and warrants are given in Notes 15 and 16 respectively. There are no restrictions on transfer or limitations on the holding of the ordinary shares. None of the shares carry any special rights with regard to the control of the Company. There are no known arrangements under which the financial rights are held by a person other than the holder and no known agreements or restrictions on share transfers and voting rights.

As far as the Company is aware there are no persons with significant direct or indirect holdings other than the Directors and other significant shareholders as shown on page 10.

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

Requirements of the Listing Rules

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures required in relation to Listing Rule 9.8.4.

Financial Instruments

The Company has exposure to credit risk, liquidity risk and market risk. Note 20 presents information about the Company's exposure to these risks, along with the Company's objectives, processes and policies for managing the risks.

Greenhouse Gas (GHG) Emissions

The Company is aware that it needs to measure its operational carbon footprint in order to limit and control its environmental impact. However, given the very limited nature of its operations during the year under review, it has not been practical to measure its carbon footprint.
In the future, the Company will only measure the impact of its direct activities, as the full impact of the entire supply chain of its suppliers cannot be measured practically.

Events after the reporting period

There are no significant events of the Company subsequent to year end apart from the proposed RTO was terminated on 28 February 2022.

Directors' Indemnity Provisions

The Company has not yet implemented Directors and Officers Liability Indemnity insurance.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Further details are given in Note 2.2 to the Financial Statements. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Donations

The Company made no political donations during the year (2020: £nil).

Auditors and disclosure of information to auditors

The Directors who held office at the date of approval of the Directors' Report confirm that:

- so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

The auditors, PKF Littlejohn LLP, were appointed by the Directors of the Company on 10 February 2021. They have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD

Claudio Morandi
Chairman
29 June 2022

Opinion

We have audited the financial statements of Pineapple Power Corporation Plc (the ‘company’) for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the company’s affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates that the company will need to raise additional funds in order to meet its committed liabilities during the going concern period. As stated in note 2.2, these events or conditions 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors’ assessment of the company’s ability to continue to adopt the going concern basis of accounting included a review of the directors’ statement in note 2.2 to the financial statements and review of the company’s budgets for the period of the twelve months from the date of approval of the financial statements, including checking the mathematical accuracy of the budgets and discussion of significant assumptions used by the management.

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

Our application of materiality

For the purposes of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced. We also determine a level of performance materiality which we use to assess the extent of testing needed, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Materiality for the company financial statements as a whole was set at £9,000 (2020: £21,000). This has been calculated based on 3% (2020: 2%) of net assets. Using our professional judgement, we have determined this to be the principal benchmark within the financial statements as it is most relevant to stakeholders in assessing the financial performance of the company based on the ability of the net assets to fund the directors acquisition strategy.

Performance materiality was set at £6,300 (2020: £12,600), being 70% (2020: 60%) of materiality for the financial statements as a whole respectively.

We agreed to report to the Audit Committee all corrected and uncorrected misstatements we identified through our audit with a value in excess of £450 (2020: £1,050). We also agreed to report any other misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our approach to the audit

In designing our audit approach, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Except for the matter described in the Material uncertainty related to going concern section, we have determined there are no other key audit matters to communicate in our report.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and application of cumulative audit knowledge.

- We determined the principal laws and regulations relevant to the company in this regard to be those arising from the following:

    - UK-adopted international accounting standards;
    - FCA listing rules;
    - Companies Act 2006;
    - The Bribery Act 2012;
    - Anti Money Laundering Legislation;
    - UK tax and employment law

- We designed our audit procedures to ensure that the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. This is evidenced by our discussion of laws and regulations with management, reviewing minutes of meetings of those charged with governance and review of regulatory news.

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, we did not identify any significant fraud risks.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business or where the business rationale is not clear.

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: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by Board of Directors of Pineapple Power Corporation Plc on 10 February 2021 to audit the financial statements for the period ending 31 December 2020 and subsequent financial periods. Our total uninterrupted period of engagement is 2 years, covering the period ending 31 December 2020 to 31 December 2021.

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

Our audit opinion is consistent with the additional report to the Board of Directors.

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 auditors' 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.

Mark Ling (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

Date 29 June 2022

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Revenue		-	-
Administrative expenses		(1,011,353)	(91,367)
Operating loss		**(1,011,353)**	**(91,367)**
Loss on ordinary activities before taxation	4	**(1,011,353)**	**(91,367)**
Tax on loss on ordinary activities	8	-	
Loss and total comprehensive loss for the period attributable to the owners of the company		**(1,011,353)**	**(91,367)**
Loss per share (basic and diluted) attributable to the equity holders (pence)	9	(0.0170)	(0.0062)

The above results relate entirely to continuing activities.

The accompanying notes on pages 26 to 38 form part of these financial statements.

PINEAPPLE POWER CORPORATION PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	Year ended 31 December 2021 £	Year ended 31 December 2020 £
FIXED ASSETS			
Office Equipment	10	1,229	-
CURRENT ASSETS			
Prepayments and other receivables	11	6,344	1,191,828
Cash and cash equivalents	12	560,434	27,795
		566,778	1,219,623
TOTAL ASSETS		568,007	1,219,623
CURRENT LIABILITIES			
Trade and other payables	13	268,636	195,471
TOTAL LIABILITIES		268,636	195,471
NET ASSETS		**299,371**	**1,024,152**
EQUITY			
Share capital	15	597,362	573,672
Share premium	15	809,852	687,148
Share based payment reserve	16	168,240	28,062
Retained loss		(1,276,083)	(264,730)
TOTAL EQUITY		**299,371**	**1,024,152**

The accompanying notes on pages 26 to 38 form part of these financial statements.

These financial statements were approved by the Board of Directors on 29 June 2022 and were signed on its behalf by:

Claudio Morandi

Chairman

Company number: 09081452

PINEAPPLE POWER CORPORATION PLC
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Cash flow from operating activities		
Loss for the year	(1,011,353)	(91,367)
Depreciation	589	-
Share based payments	168,122	-
Operating cashflow before working capital movements	(842,642)	(91,367)
(Increase)/decrease in trade and other receivables	(4,016)	9,419
Increase/(decrease) in other payables and accruals	73,165	(23,663)
Net cash (outflow) from operating activities	(773,493)	(105,611)
Investing activities		
Purchase of office equipment	(1,818)	-
Net cash (outflow) from investing activities	(1,818)	-
Financing activities		
Net proceeds from issue of ordinary shares	1,307,950	112,318
Net cash inflow from financing activities	1,307,950	112,318
Net increase in cash and cash equivalents	532,639	6,707
Cash and cash equivalents at the beginning of the year	27,795	21,088
Cash and cash equivalents at the end of the year	560,434	27,795

The accompanying notes on pages 26 to 38 form part of these financial statements.

	Share Capital	Share Premium	Share Based Payment Reserve	Retained Loss	Total
	£	£	£	£	£
Balance at 1 January 2020	135,002	-	-	(173,363)	(38,361)
Total comprehensive income for the year	-	-	-	(91,367)	(91,367)
Transactions with owners					
Issue of new shares	438,670	877,340	-	-	1,316,010
Issue of warrants	-	(28,062)	28,062	-	-
Costs related to shares issue	-	(162,130)	-	-	(162,130)
Balance at 31 December 2020	**573,672**	**687,148**	**28,062**	**(264,730)**	**1,024,152**
Total comprehensive income for the year	-	-	-	(1,011,353)	(1,011,353)
Transactions with owners					
Issue of new shares	23,690	94,760	-	-	118,450
Exercise of warrants	-	27,944	(27,944)	-	-
Issue of options	-	-	168,122	-	168,122
Balance at 31 December 2021	**597,362**	**809,852**	**168,240**	**(1,276,083)**	**299,371**

The accompanying notes on pages 26 to 38 form part of these financial statements

1 GENERAL INFORMATION

Pineapple Power Corporation Plc (the “Company’’) looks to identify potential companies, businesses or asset(s) that will increase shareholder value.

The Company is domiciled in the United Kingdom and incorporated and registered in England and Wales as a public limited company. The Company’s registered office is Studio 16, Cloisters House, 8 Battersea Park Road, London SW8 4BG. The Company’s registered number is 09081452.

2 ACCOUNTING POLICIES

2.1 Basis of preparation

The Financial Statements of the Company have been prepared in accordance with UK-adopted international accounting standards and the Companies Act 2006.

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

2.2 Going concern

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

The Company had a net cash inflow for the year of £532,639 (2020: £6,707) and at 31 December 2021 had cash and cash equivalents balance of £560,434 (2020: £27,795).

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

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

2.3 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

New standards, amendments and interpretations adopted by the Company

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2021:

- Interest Rate Benchmark Reform - Amendments to IFRS 17 “Insurance Contracts”;
- Interest Rate Benchmark Reform - Amendments to IFRS 16 “Leases”;
- Interest Rate Benchmark Reform - Amendments to IFRS 9 “Financial Instruments”;
- Interest Rate Benchmark Reform - Amendments to IAS 39 “Financial Instruments: Recognition & Measurement”;
- Interest Rate Benchmark Reform – Amendments to IFRS 7 “Financial Instruments: Disclosures”

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

New standards and interpretations not yet adopted

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

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

2.2 Fixed Assets

Owned Assets

Items of office equipment are stated at cost or deemed cost less accumulated depreciation and any impairment losses.

Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of the item of office equipment. The estimated useful lives are as follows:

Office equipment	3 – 4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial year.

2.3 Foreign currency translation

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

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

2.4 Financial instruments

Initial recognition

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

Classification

Financial assets at amortised cost

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

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

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

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

Financial liabilities at amortised cost

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

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

Derecognition

A financial asset is derecognised when:

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

(2) the Company has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

Impairment

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

Trade and other receivables

Trade and other receivables are initially recognised at fair value when related amounts are invoiced then carried at this amount less any allowances for doubtful debts or provision made for impairment of these receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and are subject to an insignificant risk of changes in value.

Trade payables

These financial liabilities are all non-interest bearing and are initially recognised at the fair value of the consideration payable.

2.5 Equity

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

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

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

Retained losses includes all current and prior period results as disclosed in the income statement.

2.6 Share-based payments

The Company issued warrants to certain brokers and advisers in the previous year.

On 8 February 2021, the Company issued 6,000,000 options to Directors and Advisors.

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

2.7 Taxation

Tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates toitems charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.8 Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the entity's accounting policies, management makes estimates and assumptions that have an effect on the amounts recognised in the financial information. Although these estimates are based on management's best knowledge of current events and actions, actual resultsmay ultimately differ from those estimates. Apart from share warrants and options discussed in note 2.6 the Directors consider that there are no other critical accounting judgements or key sources of estimation uncertainly relating to the financial information of the Company.

2.9 Loss per share

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

2.10 Segmental reporting

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

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

3. SEGMENT REPORTING

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

4. OPERATING LOSS

This is stated after charging:

	2021 £	2020 £
Auditor's remuneration		
audit of the Company	15,000	15 ,000
taxation compliance services	-	-
non-audit services – aborted listing fee	50,000	-
Directors' remuneration	48,000	4,000
Operating expenses	898,353	72,367
	1,011,353	91,367

5. OPERATING EXPENSES

	2021 £	2020 £
Broker fees	44,145	-
Transaction costs RTO	328,321	-
Prospectus fees	-	31,026
Legal fees	53,100	-
Consultancy fees	185,000	20,000
Listing fees	57,098	717
Share option expense	168,122	-
PR & media	31,960	10,965
Other expenditure	30,607	9,659
	898,353	72,367

6. AUDITOR'S REMUNERATION

	2021 £	2020 £
Fees payable to the Company's current auditor:		
- audit of the Company's financial statements	15,000	15,000
- non-audit services – aborted listing fee	50,000	-
	65,000	15,000

7. DIRECTORS AND STAFF COSTS

During the year the only staff of the Company were the Directors and as such key management personnel. Management remuneration, other benefits supplied and social security costs to the Directors during the year was as follows:

	2021 £	2020 £
Salaries	48,000	4,000
Social security costs	-	-
	48,000	4,000

The average number of staff during the year, including Directors was 2 (2020: 2). Each Director's remuneration has been set out on page 13.

8. TAXATION

	2021 £	2020 £
The charge / credit for the year is made up as follows:		
Current tax	-	-
Deferred tax	-	-
Taxation charge / credit for the year	-	-
A reconciliation of the tax charge / credit appearing in the income statement to the tax that would result from applying the standard rate of tax to the results for the year is:		
Loss per accounts	(1,011,353)	(91,367)
Tax credit at the standard rate of corporation tax in the UK of 19% (2019: 19%)	(192,157)	(17,360)
Impact of costs disallowed for tax purposes	71,987	183
Impact of unrelieved tax losses carried forward	120,170	17,177
	-	-

Estimated tax losses of £886,713 (2020: £254,241) are available for relief against future profits.

Factors affecting the future tax charge

The standard rate of corporation tax in the UK is 19%. Accordingly, the Company's effective tax rate for the period was 19% (2019: 19%).

9. LOSS PER SHARE

The calculation of the loss per share is based on the loss for the financial period after taxation of £1,011,353 (2020: loss £91,367) and on the weighted average of 59,561,088 (2020: 14,822,220) ordinary shares in issue during the period.

The warrants and options outstanding at 31 December 2021 are considered to be anti-dilutive in that their conversion into ordinary shares would not reduce the net loss per share. Consequently, there is no diluted loss per share to report for the period.

10. OFFICE EQUIPMENT

	2021
Cost	
Additions	1,818
Balance at 31 December 2021	1,818
Depreciation	
Charge for the year	589
Balance at 31 December 2021	589
Net Book Value	
At 31 December 2021	1,229

11. PREPAYMENTS AND OTHER RECEIVABLES

	2021	2020
	£	£
Other Receivables	-	1,189,500
Prepayments	6,344	2,328
	6,344	1,191,828

12. CASH AND CASH EQUIVALENTS

	2021	2020
	£	£
Cash at bank	560,434	27,795
	560,434	27,795

Cash at bank comprises balances held by the Company in current bank accounts.

13. TRADE AND OTHER PAYABLES

	2021 £	2020 £
Trade payables	250,636	180,471
Accruals and other payables	18,000	15,000
	268,636	195,471

Trade payables and accruals principally comprise amounts outstanding for trade purchases and continuing costs. The Directors consider that the carrying value amount of trade and other payables approximates to their fair value. Refer Note 20.

14. DEFERRED TAXATION

No deferred tax asset has been recognised by the Company due to the uncertainty of generating sufficient future profits and tax liability against which to offset the tax losses. Note 8 above sets out the estimated tax losses carried forward.

15. SHARE CAPITAL / SHARE PREMIUM

	Number of shares on issue	Share capital £	Share premium £	Total £
Balance as at 1 January 2020	13,500,200	135,002	-	135,002
Issue of new shares	43,867,011	438,670.	877,340	1,316,010
Transaction Costs	-	-	(162,130)	(162,130)
Issue of warrants	-	-	(28,062)	(28,062)
Balance as at 31 December 2020	57,367,211	573,672	687,148	1,260,820
Issue of new shares	2,369,000	23,690	94,760	118,450
Release of reserve upon exercise of warrants	-	-	27,944	27,944
Balance as at 31 December 2021	59,736,211	597,362	809,852	1,407,214

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

At 31 December 2021, there were warrants over 10,000 unissued ordinary shares (2020: 2,369,000) issued to the brokers of the placing.

During the year 2,369,000 new ordinary 1p shares were issued at 5p per share as a result of exercise of warrants

16. SHARE BASED PAYMENT RESERVE

	2021	2020
	£	£
At 1 January 2021	28,062	-
Fair value of warrants granted during the period	-	28,062
Warrants exercised during the period	(27,944)	-
Fair value of options granted during the year	168,122	-
At 31 December 2021	168,240	28,062

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

Grant date	Share Price	Exercise Price	Expected. Option Life Years	Expected Volatility	Expected Dividend Yield	Risk free Interest Rate	Fair Value at date of Grant
2021	11p	11p	2	45.8%	0%	0.1%	2.802p

Subsequent changes in market conditions do not impact the amount charged to the statement of comprehensive income. Expected volatility was determined by reference to historical experience.

The Company did not issue any warrants in the current year.

The warrants outstanding at the year end have a weighted average remaining contractual life of 2.0years. The exercise price of the warrants is £0.05 per share.

As at 28 June 2022 there were 10,000 warrants outstanding.

Details of the warrants outstanding are as follows:

Issued	Exercisable from	Expiry date	Number outstanding	Exercise price
19 December 2020.	3 years from admission	24 December 2023	10,000	£0.05

The warrants were issued conditional upon the Ordinary Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities which occurred on 24 December 2020.

On 8 February 2021, the Company issued 6,000,000 to Directors and Advisors. The options outstanding at the year end have a weighted average remaining contractual life of 1.1 years. The exercise price of the options is £0.11 per share.

As at 28 June 2012, there were 6,000,000 options outstanding.

Details of the options outstanding are as follows:

Issued	Exercisable from	Expiry date	Number outstanding	Exercise price
8 February 2021	6 months from date of grant	7 February 2023	6,000,000	£0.11

The market price of the shares at year end was £0.086 per share. During the year, the minimum and maximum prices were £0.05 and £0.131 per share respectively.

17. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2020 and 31 December 2021.

18. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2020 and 31 December 2021.

19. COMMITMENTS UNDER OPERATING LEASES

There were no commitments under operating leases at 31 December 2020 and 31 December 2021.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments comprise primarily cash and various items such as trade debtors and trade payables which arise directly from operations. The main purpose of these financial instruments is to provide working capital for the Company's operations. The Company does not utilise complex financial instruments or hedging mechanisms.

Financial assets by category

	2021 £	2020 £
Current Assets:		
Other receivables (excluding prepayments)	-	1,189,500
Cash and cash equivalents	560,434	27,795
Categorised as financial assets at amortised cost	560,434	1,217,295

Financial liabilities by category

	2021 £	2020 £
Current Liabilities:		
Trade and other payables	268,636	195,471
Categorised as financial liabilities measured at amortised cost	268,636	195,471

All amounts are short term and payable in 0 to 3 months.

Credit risk

The maximum exposure to credit risk at the reporting date by class of financial asset was:

	2021 £	2020 £
Other receivables	-	1,189,500

Capital management

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

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

Interest rate risk

The maximum exposure to interest rate risk at the reporting date by class of financial asset was:

	2021 £	2020 £
Bank balances	560,434	27,795

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

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

Credit and liquidity risk

Credit risk is managed on a Company basis. Funds are deposited with financial institutions with a credit rating equivalent to, or above, the main UK clearing banks. The Company's liquid resources are invested having regard to the timing of payment to be made in the ordinary course of the Company's activities. All financial liabilities are payable in the short term (between 0 to 3 months) and the Company maintains adequate bank balances to meet those liabilities.

Currency risk

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

21. RELATED PARTY TRANSACTIONS

Key management personnel compensation

The Directors are considered to be key management personnel. Detailed remuneration disclosures are provided in the remuneration report on pages 12 – 14.

22. EVENTS SUBSEQUENT TO YEAR END

There are no significant events of the Company subsequent to year end apart from the proposed RTO was terminated on 28 February 2022.

23. CONTROL

In the opinion of the Directors there is no single ultimate controlling party at the year end.