

Company registration number 11911847 (England and Wales)

Zero Petroleum Limited
Unaudited Financial Statements
For The Year Ended 31 March 2022
Pages For Filing With Registrar

ZERO PETROLEUM LIMITED

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ZERO PETROLEUM LIMITED

BALANCE SHEET

AS AT 31 MARCH 2022

		2022		2021 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	3		512,006		59,365
Tangible assets	4		7,711		-
Investments	5		74		-
			<u>519,791</u>		<u>59,365</u>
Current assets					
Debtors	7	57,527		11,491	
Cash at bank and in hand		128,531		910	
		<u>186,058</u>		<u>12,401</u>	
Creditors: amounts falling due within one year	8	<u>(111,184)</u>		<u>(78,266)</u>	
Net current assets/(liabilities)			<u>74,874</u>		<u>(65,865)</u>
Total assets less current liabilities			<u>594,665</u>		<u>(6,500)</u>
Provisions for liabilities			<u>(122,200)</u>		<u>(8,600)</u>
Net assets/(liabilities)			<u>472,465</u>		<u>(15,100)</u>
Capital and reserves					
Called up share capital	9		109		100
Share premium account			199,990		-
Profit and loss reserves			<u>272,366</u>		<u>(15,200)</u>
Total equity			<u>472,465</u>		<u>(15,100)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

ZERO PETROLEUM LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

The financial statements were approved by the board of directors and authorised for issue on 5 December 2022 and are signed on its behalf by:

Mr P A Lowe
Director

Company Registration No. 11911847

ZERO PETROLEUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Zero Petroleum Limited is a private company limited by shares incorporated in England and Wales. The registered office is Michelin House, 81 Fulham Road, London, SW3 6RD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2022 are the first financial statements of Zero Petroleum Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2020. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 12.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

ZERO PETROLEUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	Over 4 years
Trademarks	Over 10 years

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	25% Straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

ZERO PETROLEUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

ZERO PETROLEUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or 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 reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end 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 is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

ZERO PETROLEUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	2 <hr/>	2 <hr/>

ZERO PETROLEUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3 Intangible fixed assets

	Development costs	Trademarks	Total
	£	£	£
Cost			
At 1 April 2021	45,460	15,450	60,910
Additions	450,487	3,827	454,314
	<u>495,947</u>	<u>19,277</u>	<u>515,224</u>
At 31 March 2022	495,947	19,277	515,224
	<u>495,947</u>	<u>19,277</u>	<u>515,224</u>
Amortisation and impairment			
At 1 April 2021	-	1,545	1,545
Amortisation charged for the year	-	1,673	1,673
	<u>-</u>	<u>3,218</u>	<u>3,218</u>
At 31 March 2022	-	3,218	3,218
	<u>-</u>	<u>3,218</u>	<u>3,218</u>
Carrying amount			
At 31 March 2022	495,947	16,059	512,006
	<u>495,947</u>	<u>16,059</u>	<u>512,006</u>
At 31 March 2021	45,460	13,905	59,365
	<u>45,460</u>	<u>13,905</u>	<u>59,365</u>

As at the year end, the entire value of development costs continue to be under development and are yet to be brought into use. Accordingly these costs are not yet being amortised.

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 April 2021	-
Additions	8,007
	<u>8,007</u>
At 31 March 2022	8,007
	<u>8,007</u>
Depreciation and impairment	
At 1 April 2021	-
Depreciation charged in the year	296
	<u>296</u>
At 31 March 2022	296
	<u>296</u>
Carrying amount	
At 31 March 2022	7,711
	<u>7,711</u>
At 31 March 2021	-
	<u>-</u>

ZERO PETROLEUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

5	Fixed asset investments	2022	2021
		£	£
	Shares in group undertakings and participating interests	74	-
		<u>74</u>	<u>-</u>
	Movements in fixed asset investments		
			Shares in subsidiaries
			£
	Cost or valuation		
	At 1 April 2021		-
	Additions		74
	At 31 March 2022		<u>74</u>
	Carrying amount		
	At 31 March 2022		<u>74</u>
	At 31 March 2021		<u>-</u>

6 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Zero Petroleum Inc	2108 N St Ste N, Sacramento CA 95816, United States of America	Ordinary	100.00

7 Debtors

		2022	2021
		£	£
	Amounts falling due within one year:		
	Other debtors	55,527	11,491
		<u>55,527</u>	<u>11,491</u>
	Amounts falling due after more than one year:		
	Other debtors	2,000	-
		<u>2,000</u>	<u>-</u>
	Total debtors	<u>57,527</u>	<u>11,491</u>

ZERO PETROLEUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8	Creditors: amounts falling due within one year	2022	2021
		£	as restated £
	Trade creditors	20,906	-
	Taxation and social security	397	-
	Other creditors	89,881	78,266
		<u>111,184</u>	<u>78,266</u>

9	Called up share capital	2022	2021	2022	2021
		Number	Number	£	£
	Ordinary share capital Issued and fully paid				
	Ordinary of 0.01p each	1,086,956	100	109	100
		<u>1,086,956</u>	<u>100</u>	<u>109</u>	<u>100</u>

On 15 September 2021 the company sub-divided 100 Ordinary shares with nominal value of £1 each into 1,000,000 Ordinary shares with nominal value of £0.0001. On 24 September 2021 the company issued 86,956 Ordinary shares with nominal value of £0.0001 each, at a price of £2.30 per share. £199,990 has been recognised in share premium.

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2022	2021
£	£
91,000	-
<u>91,000</u>	<u>-</u>

11 Events after the reporting date

On 6 April 2022 the company issued 44,443 Ordinary shares of £0.0001 each for £2.30 per share and received cash consideration of £102,219.

On 13 July 2022 the company issued 131,454 Ordinary shares of £0.0001 each for £18.40 per share and received cash consideration of £2,418,754.

ZERO PETROLEUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

	12	Reconciliations on adoption of FRS 102	At 1 April 2020			At 31 March 2021			
			Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Prior year adjustment £	Effect of transition £	FRS 102 £
Reconciliation of equity									
Fixed assets									
Other intangibles	1		-	-	-	13,905	-	45,460	59,365
Current assets									
Debtors			100	-	100	11,491	-	-	11,491
Bank and cash			-	-	-	910	-	-	910
			100	-	100	12,401	-	-	12,401
Creditors due within one year									
Loans and overdrafts	2		-	-	-	(64,900)	-	-	(64,900)
Other creditors	2		-	-	-	-	(2,498)	-	(2,498)
Deferred income	2		-	-	-	-	(10,868)	-	(10,868)
			-	-	-	(64,900)	(13,366)	-	(78,266)
Net current assets/(liabilities)			100	-	100	(52,499)	(13,366)	-	(65,865)
Total assets less current liabilities			100	-	100	(38,594)	(13,366)	45,460	(6,500)
Creditors due after one year									
Other creditors	2		-	-	-	(2,498)	2,498	-	-

ZERO PETROLEUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

12 Reconciliations on adoption of FRS 102

(Continued)

	Notes	At 1 April 2020		At 31 March 2021				
		Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Prior year adjustment £	Effect of transition £	FRS 102 £
Provisions for liabilities								
Deferred tax	1	-	-	-	-	(8,600)	(8,600)	
Deferred income	2	-	-	-	(10,868)	10,868	-	
Net assets		100	-	100	(51,960)	-	36,860	(15,100)
Capital and reserves								
Share capital		100	-	100	100	-	-	100
Profit and loss	1	-	-	-	(52,060)	-	36,860	(15,200)
Total equity		100	-	100	(51,960)	-	36,860	(15,100)

ZERO PETROLEUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

12 Reconciliations on adoption of FRS 102

(Continued)

Notes to reconciliations on adoption of FRS 102

1. Development costs

Capitalised development costs which were previously required to be expensed under FRS 105, together with deferred tax impact.

2. Prior year adjustment

Deferred income of £10,868 and accruals of £2,498 were included in creditors due over one year and have been reclassified to creditors due within one year. The re-classification is a presentational adjustment only and does not effect total net liabilities for the comparative period.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.